

County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 19, 2011

Board of Supervisors GLORIA MOLINA First District

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ZEV YAROSLAVSKY Third District

DON KNABE Fourth District

MICHAEL D. ANTONOVICH Fifth District

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

Dear Supervisors:

LOS ANGELES BIOMEDICAL RESEARCH INSTITUTE GROUND LEASE NO. 5 FOR CONSTRUCTION OF MEDICAL RESEARCH BUILDING (SECOND DISTRICT) (3 VOTES)

SUBJECT

The recommended actions will authorize the Los Angeles Biomedical Research Institute to construct a medical research building on the Harbor-UCLA Medical Center campus.

IT IS RECOMMENDED THAT YOUR BOARD:

- 1. Consider the Negative Declaration, together with the fact that no comments were received during the review process, find that the proposed medical research building will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office to complete and file a Certificate of Fee Exemption for the project.
- 2. Approve and instruct the Mayor to sign the Ground Lease No. 5 with the Los Angeles Biomedical Research Institute on Harbor-UCLA Medical Center campus for the sum of \$1.00 as consideration for the lease.
- 3. Authorize the construction of a 22,700 square-foot medical research building on the Harbor-UCLA Medical Center campus pursuant to the ground lease.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions will authorize the Los Angeles Biomedical Research Institute (LA BioMed) to construct a new Chronic Disease Clinical Research Center building (Project) on the Harbor-UCLA Medical Center (Harbor-UCLA) campus located at 1000 West Carson Street in the unincorporated area of the County.

BACKGROUND

In August 1986, your Board approved a development master plan and disposition strategy for Harbor-UCLA, which called for construction of new buildings in an area designated as a research park. Since 1986, your Board has approved four independent ground leases to allow LA BioMed to construct four separate medical research buildings.

PROPOSED GROUND LEASE NO. 5

In March 2010, LA BioMed was notified that the National Institutes of Health National Center for Research Resources, as part of the American Recovery and Reinvestment Act, awarded a federal grant to construct the new two-story research facility. The proposed new medical research facility will consolidate the collaborative research programs studying chronic diseases. The new medical research building will be home for Chronic Obstructive Pulmonary Disease/Rehabilitative Medicine, Atherosclerosis Research, HIV/AIDS Research and Investigational Drug Services programs.

The proposed Project site totals approximately 32,980 square feet. The proposed Project includes the demolition of three, County-owned, one-story buildings with an appurtenant open surface 30 space parking area and new construction of a approximately 22,700 square-foot building with an appurtenant open surface 34 space parking area. Additional parking is available in an existing underutilized 87 space open surface parking lot, owned by LA BioMed, located immediately south of the proposed Project site and across 220th Street. Hospital administrative staff who currently reside in the three County-owned buildings will be relocated to other available space on the campus.

Ground Lease No. 5 (Attachment A) initial lease term of 20 years, commencing upon completion and occupancy of the proposed new medical research building can be extended for an additional 10-year term upon mutual agreement of LA BioMed and the County. Harbor-UCLA's relationship with LA BioMed has allowed the County to recruit

and retain highly qualified physicians and has enhanced the level of medical care to County patients at Harbor-UCLA.

All other terms and conditions of Ground Lease No. 5 remain the same as all prior existing ground leases. LA BioMed will be solely responsible for all maintenance and operating costs associated with the building and leased space throughout the term of Ground Lease No. 5. LA BioMed will reimburse the County for the cost of any space support services, such as utilities supplied by Harbor-UCLA. Utilities are defined as gas, water, telephone, data, and electrical service. Payment for the cost of utilities may be made by cash or in-kind contributions as allowed under the Medical Research and Education Agreement No. H-201979.

In December 2010, your Board approved an extension of the Medical Research Agreement No. H-201979 between LA BioMed and the County, including a termination date of June 30, 2012 plus two optional one year extensions through June 30, 2014. Should this Medical Research Agreement not be extended at that time, LA BioMed shall have the option of remaining in the new medical research facility for the remainder of the ground lease term, provided that LA BioMed pays a monthly rent at fair market value. Upon termination of Ground Lease No. 5, ownership of the building will vest in the County.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that the County maximize the effectiveness of delivery of customer-oriented and efficient public services through operational effectiveness (Goal 1), and improve health and mental outcomes (Goal 4). The approval of Ground Lease No. 5 will support these goals by leasing of County property to a non-profit medical organization, which provides services for the benefit of the public.

FISCAL IMPACT/FINANCING

In consideration of Ground Lease No. 5, LA BioMed will pay \$1.00 to the County. The total construction costs for the proposed Project and related site improvements are estimated at \$9.7 million, which will be funded entirely by LA BioMed through the National Institutes of Health National Center for Research Resources grant in the amount of \$9.7 million.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

LA BioMed is a California non-profit 501 (c)(3) corporation, which administers more than 1,100 research projects with an annual budget of \$75.0 million. Since February 1969, your Board has contracted with LA BioMed (formerly known as Harbor-UCLA Research and Education Institute) for the administration of research and education projects at Harbor-UCLA. The contracts authorize LA BioMed to use Harbor-UCLA space and, under the four other ground leases, to construct medical research facilities on the hospital campus.

Proposed Ground Lease No. 5 was reviewed by the Board appointed Real Estate Management Commission on April 6, 2011, and it was the Commission's recommendation to approve Ground Lease No. 5. Further, Ground Lease No. 5 was reviewed by the Chief Executive Office, Department of Health Services, Harbor-UCLA Medical Center, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

DCA Civil Engineering Group has prepared an Initial Study of the environmental factors and has concluded the proposed medical research building will have no significant impact on the environment and no adverse effect on wildlife resources. Accordingly, a Negative Declaration has been prepared by DCA Civil Engineering Group and a notice posted at the site as required by California Environmental Quality Act (CEQA) and the CEQA guidelines Section 15072. Copies of the completed Initial Study, the resulting Negative Declaration and the Notice of Preparation of Negative Declaration, as posted, are attached (Attachment B). No comments to the Negative Declaration were received.

A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

It is recommended that your Board approve the Negative Declaration, find that the proposed Project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office to complete and file a Certificate of Fee Exemption for the proposed Project.

CONTRACTING PROCESS

Not Applicable

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Your Board's approval of Ground Lease No. 5 will authorize LA BioMed to construct a new medical research facility at Harbor-UCLA. Upon expiration of Ground Lease No. 5, the County will acquire ownership of the medical research facility. Approving the recommended action will have no impact on current services or projects.

CONCLUSION

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division and the Department of Health Services; and two originals of the executed lease agreement and the adopted Board letter and two certified copies of the Minute Order to the Chief Executive Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

WILLIAM T FUJIOKA Chief Executive Officer

WTF:RLR DJT:DKM:zu

Attachments (2)

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Los Angeles Biomedical Research Institute

ATTACHMENT A

GROUND LEASE AND AGREEMENT FOR DEVELOPMENT,

CONSTRUCTION, AND OPERATION OF MEDICAL RESEARCH BUILDING NO. 5

HARBOR-UCLA MEDICAL CENTER

COUNTY OF LOS ANGELES

GROUND LEASE AND AGREEMENT FOR DEVELOPMENT, CONSTRUCTION, AND OPERATION OF MEDICAL RESEARCH BUILDING NO. 5 HARBOR-UCLA MEDICAL CENTER COUNTY OF LOS ANGELES

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GROUND LEASE AGREEMENT FOR DEVELOPMENT, CONSTRUCTION, AND OPERATION OF MEDICAL RESEARCH BUILDING NO. 5,

HARBOR-UCLA

MEDICAL CENTER

COUNTY OF LOS ANGELES

THIS GROUND LEASE AGREEMENT (the "Lease") is made and entered into

this ________ day of ________, 2011 (the "Effective Date"),

BY AND BETWEEN COUNTY OF LOS ANGELES (the "Lessor" and/or the "County"),

AND LOS ANGELES BIOMEDICAL RESEARCH INSTITUTE AT HARBOR-UCLA MEDICAL CENTER, a California Corporation (the "Lessee").

RECITALS:

WHEREAS, Lessor is the fee owner of the real property containing approximately 32,980 square feet of land (the "Premises"), which is part of the Los Angeles County – Harbor-UCLA Medical Center, and which is more particularly outlined in Exhibit "A" and legally described in Exhibit "B," all attached hereto and incorporated herein by this reference; and

WHEREAS, Lessor is prepared to lease the Premises to Lessee pursuant to Government Code Sections 25374(b) and 26227, in order for Lessee to construct improvements at Lessee's sole expense, for use as a research building to house medical research and educational activities, all of which are to be conducted in accordance with Medical Research and Education Agreement No. H201979 dated June 2, 1992, (the "Medical Research and Education Agreement"), by and between Lessee and County; and

WHEREAS, the research building to be built on the Premises by Lessee (the "Building") shall consist of approximately 22,700 gross square feet [plus related site, parking and landscaping improvements] in accordance with the entitlements, permits, plans and specifications issued or approved by the County of Los Angeles, all of which Building and related improvements are hereinafter collectively referred to as the "Improvements." The Premises, Improvements and all changes and alterations thereto are hereinafter collectively referred to as the "Research Building No. 5 Project."

NOW, **THEREFORE**, in consideration of the terms and conditions hereinafter contained, and the foregoing recitals, each of which is deemed a contracted part hereof, Lessor and Lessee agree as follows:

1. <u>GROUND LEASE AND TERM THEREOF</u>: For and in consideration of the sum of ONE AND NO/ 100 DOLLARS (\$1.00), receipt of which is hereby acknowledged, Lessor hereby leases to Lessee, and Lessee hires from Lessor, the Premises, subject to the terms, covenants, conditions, exceptions, and/or reservations as hereinafter set forth.

A. As-Is.

(1) The Premises currently include buildings, landscaping, and

pavement. Current buildings to be demolished include L2/L3 (6,233.4 square feet), L4 (3,600 square feet), and L5 (2,880 square feet). Lessee accepts the Premises as so improved in its present condition notwithstanding the fact that there may be certain defects in the Premises, whether or not known to either party to this Lease, at the time of the Effective Date. Lessee hereby represents that in connection with its acceptance of the Premises, Lessee has been given the opportunity to perform such tests, inspections, reviews, studies and investigations respecting the Premises as so improved as it considers necessary or appropriate to adequately evaluate the condition and other aspects of the Premises. Lessee hereby accepts the Premises as so improved on an "AS IS WITH ALL FAULTS" basis and, except as expressly set forth in this Lease, Lessee is not relying on any representation or warranty of any kind whatsoever, express or implied, from County or any other governmental authority or public agency, or their respective agents or employees, as to any matters concerning the Premises and/or any improvements located thereon, including without limitation representation or warranties regarding: (i) the quality, nature, adequacy and physical condition and aspects of the Premises and/or any improvements located thereon, including, but not limited to, the appurtenances, access, landscaping, parking facilities and the electrical, mechanical, utility systems, and the square footage of the land; (ii) the quality, nature, adequacy and physical condition of soils, geology and any groundwater; (iii) the development potential of the Premises, and the use, habitability, merchantability or fitness, or the suitability, value or adequacy of the Premises and/or any improvements located thereon for any particular purpose; (iv) the zoning or other legal status or entitlement or lack thereof of the Premises or any other public or private restrictions on use of the Premises; (v) the compliance of the Premises and/or any improvements located thereon with any applicable codes, laws, rules, regulations, statutes, resolutions, ordinances, covenants, conditions and restrictions of the County of Los Angeles, State of California, the United States of America, and/or any other governmental or quasi-governmental entity (collectively the "Applicable Laws") or of any other person or entity (including, without limitation, relevant provisions of the Americans with Disabilities Act ("ADA")); (vi) the presence of any underground storage tank or hazardous materials on, under or about the Premises or the adjoining or neighboring property; (vii) the quality of any labor and materials used in any improvements on the Premises, (viii) the condition of title to the Premises, and (ix) the economics of the operation of the Premises and/or any improvements located thereon. Lessor shall not be responsible for any land subsidence, slippage, soil instability or damage resulting therefrom at or on the Premises. Lessor has no actual knowledge of any defects in Premises which would adversely affect Lessee's leasehold interest or the use or value thereof.

(2) Reservations. Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all encumbrances, reservations, licenses, easements and rights of way: (a) existing as of the Effective Date, (b) otherwise referenced in this Lease in, to, over or affecting the Premises for any purpose whatsoever, or (c) consented to by Lessee. Without limiting the foregoing, Lessee expressly agrees that this Lease and all rights hereunder shall be subject to all prior matters of record and the right of County existing as of the Effective Date or otherwise disclosed to or known to Lessee, as their interests may appear, to install, construct, maintain, service and operate sanitary sewers, public roads and sidewalks, fire access roads, storm drains, drainage facilities, electric power lines, telephone lines and access

and utility easements across, upon or under the Premises, together with the right of County to convey such easements and transfer such rights to others. Notwithstanding the foregoing or anything herein to the contrary, County agrees to cooperate with Lessee, upon compensation to County of its Actual Cost, as hereinafter defined, in Lessee's efforts to address title matters, if any, which would prevent Lessee from proceeding with the Improvements, as long as such efforts do not materially adversely affect the County (e.g., by way of illustration only, cooperating with Lessee in the relocation at Lessee's cost of any easements which interfere with the Improvements, to the extent such relocation is reasonably acceptable to County).

- <u>Term.</u> The term of this Lease (the "Term") shall extend for a period of 20 years, beginning upon the completion of construction and occupancy of the Building and ending 20 years thereafter; provided, however, that in the event Lessee fails to commence construction of the Improvements within the time provided in Section 6.B.(3) hereof; this Lease shall end and expire upon notice from County. The Term of this Lease shall be extended by mutual agreement for an additional 10 years (hereinafter referred to as the "Option Term") by Lessee giving written notice to Lessor of its desire to extend the Term not less than 180 days prior to the Expiration of the Term of this Lease. By letter from its Chief Executive Office, Lessor shall notify Lessee whether Lessor consents to extend the term within 30 days after receipt of Lessee's written notice; provided, however, that Lessor shall not unreasonably withhold its consent to such request for extension. In any event, this Lease shall also terminate concurrently with the termination of the Medical Research and Education Agreement, unless the Medical Research and Education Agreement is extended or replaced by a similar agreement approved by the Board of Supervisors of the County of Los Angeles (the "Board of Supervisors"); provided, however, that in lieu of such termination, Lessee may elect to have this Lease continue by paying as rent the fair market rental value of the leasehold for the remainder of the Term hereof, or until such time as a new agreement similar to the Medical Research and Education Agreement and providing sufficient consideration for the Lease is executed by the parties. Lessee's payment of rent may be satisfied by cash or in-kind services as defined in the Medical Research and Education Agreement.
- 2. <u>LEASE CONSIDERATIONS</u>: As additional consideration for Lessor leasing the Premises to Lessee hereunder:
- A. Lessee shall, at its sole cost and expense, demolish and remove all of the existing buildings and other improvements located within the Premises as the date hereof in accordance with Section 6 hereof and shall abide by and comply with all applicable local, State and Federal laws including without limitation those concerning the removal of hazardous materials. Lessee, at its sole cost and expense, shall construct the Improvements in accordance with Section 6 hereof, and maintain the Improvements as provided herein, and operate without interruption the Building (collectively, the removal of existing improvements and the construction of the improvements shall be referred to herein as "Lessee's Obligations"). Lessee's failure to perform Lessee's Obligations shall constitute a material default under this Lease.
- B. Lessee acknowledges that Lessor has a security interest in all plans, drawings, specifications, documents evidencing governmental approvals or

partial approvals, permits, environmental documents, soil, engineering and planning studies, working drawings, architect agreements, construction contracts and agreements pertaining to the Lessee's Research Building No. 5 Project, together with all amendments thereto (hereinafter collectively called the "Development Documents"). Lessee further acknowledges its affirmative obligation to secure the full right, title and lien-free ownership interest in all Development Documents. Upon any cancellation or termination of this Lease, Lessor, or its assignee, shall immediately receive true copies of all Development Documents of Lessee related to the development of the Lessee's Research Building No. 5 Project. The Lessee shall, however, retain its proprietary interest in the Development Documents and such documents may not be used by the Lessor, other than use that is incidental to the maintenance, repair or remodeling of the Improvements, without the prior express written consent of the Lessee.

- C. Lessee shall perform all obligations required by this Lease, including those contained in the exhibits to this Lease.
- D. Lessee's agreements as set forth in the Medical Research and Education Agreement, No. H201979 and any amendments thereto are incorporated herein and made part of this Lease by this reference. The parties' obligations and Lessee's rights under this Lease are conditioned upon Lessee's performance under the Medical Research and Education Agreement.
- E. Lessee acknowledges that the costs associated with the demolition or removal of any County improvements on the Premises shall be solely the Lessee's responsibility.
- F. Lessee acknowledges that all costs associated with the preparation of any environmental documentation for compliance with the California Environmental Quality Act and legal descriptions related to this Lease shall be solely Lessee's responsibility.
- G. Lessee shall provide all Development Documents to Lessor for approval in accordance with Section 6B. hereof.
- H. Lessee shall reimburse Lessor for all of Lessor's Actual Costs in cooperating with, negotiating with, providing services to, and in performing the obligations of, Lessee under this Lease.
- (1) "Actual Costs" shall mean: (i) the reasonable out-of-pocket costs and expenses incurred by County with respect to a particular activity or procedure, including without limitation, expenditures to third party legal counsel, financial consultants and advisors; (ii) costs incurred in connection with appraisals; and (iii) amounts invoiced by the County's Department of Public Works and/or Internal Services Department. In those instances in which Lessee is obligated to reimburse County for County's Actual Costs incurred in performing obligations required to be performed by Lessee under this Lease which Lessee fails to perform within the applicable cure period (if any) provided under this Lease, Actual Costs shall also include a reasonable allocation of County overhead and administrative costs to fully compensate County for performing such obligations on behalf of Lessee.

3. <u>USES: APPLICABLE LAWS:</u>

A. Uses:

- (1) Lessee shall construct on the Premises the Lessee's Research Building No. 5 Project as specified in Section 6 hereof and occupy same for the purpose of medical research, education and training activities under the terms of the Medical Research and Education Agreement, in the operation of Medical Research and Educational Agreement activities (the "Permitted Uses").
- (2) Lessee shall comply with its obligations and be subject to all applicable governmental regulatory agencies and the rules and regulations of County in connection with the operation of the Harbor-UCLA Medical Center as promulgated from time to time by the County.
- B. Compliance with Applicable Laws: The Lessee's Research Building No. 5 Project, or any part thereof, shall not be used or permitted to be used for any activity which constitutes a nuisance. Subject to Lessee's right to contest in accordance with Section 3.C. hereof, Lessee shall, at its sole cost and expense, conform to, and cause all persons using or occupying any part of the Lessee's Research Building Project which is under Lessee's control to comply with all Applicable Laws and rules and regulations governing the Harbor-UCLA Medical Center or the Premises that may be in effect from time to time applicable to the construction of the Improvements and/or to the use of the Lessee's Research Building No. 5 Project. Lessee hereby warrants and covenants that the operation of Research Building No. 5 Project shall not interfere with any functions of Lessor outside of the Premises. Lessee covenants and agrees to indemnify and to hold Lessor harmless from any penalties, damages, or charges imposed for any violation of any and all Applicable Laws, whether occasioned by neglect, omission, or willful act of Lessee or any person (other than Lessor, its officers, agents, employees, guests, and invitees) by license, invitation, sublease, assignment, or any other arrangement with Lessee.
- C. Right to Contest Applicable Laws: Lessee shall have the right to contest, by appropriate judicial or administrative proceedings, without cost or expense to Lessor, the validity or application of any present or future Applicable Laws which restrict Lessee's use of the Lessee's Research Building No. 5 Project or which require Lessee to repair, maintain, alter, or replace the Lessee's Research Building No. 5 Project in whole or in part. Lessee shall not be in default for failing to exercise its rights under this clause or for failing to commence repairs, maintenance, alterations, or replacement obligations imposed by such Applicable Laws, until a reasonable time following the final judgment and conclusion of appeals in Lessee's administrative and judicial proceedings, provided that Lessee protects Lessor and the Lessee's Research Building No. 5 Project from any lien by surety bond or other security satisfactory to Lessor. Lessor may, but is not obligated to, join in the Lessee's contest but Lessor shall have full subrogation rights in the event of Lessee's failure to contest. Lessee's right to contest must be exercised in such manner as to avoid any exposure of the Lessee's Research Building No. 5 Project or any part thereof to foreclosure or execution sale.

4. TAXES AND ASSESSMENTS:

- A. <u>Payment of Taxes</u>: Lessee shall have sole responsibility to pay promptly any applicable personal property taxes, real property taxes, rental taxes, excise taxes, business and occupation taxes and assessments, or taxes or charges of any kind or nature whatsoever (hereinafter referred to collectively as "Taxes") levied or assessed against the Lessee's Research Building No. 5 Project, Lessee's operations on the Premises, or against Lessee's possessory interest, by any government entity. Lessee's leasehold interest may be subject to property taxation and Lessee agrees to pay any property tax levied on any such interest
- B. <u>Indemnity</u>: Lessee agrees to indemnify and hold Lessor harmless from the payment of Taxes, including any penalties and interest associated therewith. Lessee further agrees to prevent said Taxes from becoming delinquency liens upon the Lessee's Research Building No. 5 Project, and except where Lessee notifies Lessor in writing that Lessee is contesting or proposes to contest Taxes, to allow Lessor to pay such Taxes which have become more than 90 days delinquent. Lessor shall in no way be obligated to pay such Taxes which come delinquent; but, if Lessor makes such payments, they will become immediately due and payable to Lessor by the Lessee and shall include any Late Charge or penalties assessed.
- C. <u>Lessee's Right to Contest Taxes</u>: Lessee shall have the right, at its own expense, to contest the amount or validity of any Taxes by appropriate proceedings diligently conducted in good faith which shall operate to prevent the collection of any Taxes so contested or the sale of the Lessee's Research Building No. 5 Project or any part thereof to satisfy the same. Pending final judgment and appeals of any such legal proceedings, Lessor shall not have the right to pay, remove, or discharge any Taxes thereby contested, provided that Lessee shall protect Lessor and the Lessee's Research Building No. 5 Project from any lien by adequate surety bond or other security deemed appropriate by Lessor.
- D. <u>Proration of Taxes</u>: If, at any time during the term of this Lease, any Taxes are levied for a benefit which shall have a useful life longer than the remaining Lease Term then whether or not such Taxes are actually paid in installments, Lessee shall only be responsible to pay that portion of the Taxes which would have been payable during the term of this Lease, had such Taxes been paid in installments. If Taxes become due and payable after the expiration or termination of the Lease, Lessee, within 15 days of such expiration or termination, shall pay Lessor its prorata share of such Taxes. To the extent that Lessee pays such taxes in excess of its prorata share prior to termination, Lessor shall promptly return the excess upon expiration or other termination of the Lease.

5. UTILITIES:

A. <u>Consent from Lessor</u>: Lessee shall not enter into any contract or agreement with any governmental agency or body or public utility with reference to sewer lines, water lines, street improvements, street lighting, or utility connections, lines, or easements without the prior written consent of Lessor. Lessee shall install separate meters for Lessee's use for all utilities required for the Research Building No. 5 Project.

All costs associated with bringing required utilities to the Lessee's Research Building No. 5 Project, including related professional and service charges, and the costs of connections to the utility system shall be considered part of the construction cost of the Lessee's Research Building No. 5 Project and shall be solely the Lessee's responsibility.

- B. <u>Lessor Utility Services</u>: To the extent that the Lessee uses utility services financed and/or maintained in whole or in part by Lessor, both during and after construction of the Improvements, the charge for such utility services shall be paid by Lessee, together with a prorate share of the capital costs associated with any necessary additions or improvements to the utility system at the same rate given to other users. Lessee's payment of said utilities may be satisfied by cash or allowable in-kind services, as provided for in Exhibit B of the Medical Research and Education Agreement, and subject to the provisions of the Medical Research and Education Agreement, except that payment of any capital costs funded from the County's General Fund shall be made by cash or check and delivered to the County's Chief Executive Office.
- C. Ownership: As between County and Lessee, title to all utility lines, transformer vaults and all other utility facilities constructed or installed by Lessee upon the Premises shall vest in County upon construction or installation to the extent that they are not owned by a utility company or other third party provider. Notwithstanding that title shall vest in County, all utility lines, transformer vaults and all other utility facilities (other than any sewer, storm drain or other utility systems which have been dedicated to and accepted by County pursuant to a dedication separate from this Lease), shall be maintained, repaired, and replaced, if and as needed, by Lessee during the Term hereof, including any optional or extension period.

CONSTRUCTION AND LIENS:

A. Development Work.

- (1) <u>Development Plan</u>: Promptly following the Effective Date, Lessee shall commence the performance of the Development Work (as hereinafter defined) on the Premises described in the County approved development plan prepared by Lessee (the "Development Plan"), which approved Development Plan shall be incorporated herein as Exhibit C. The construction work described in the Development Plan, including the Improvements, landscape, landscape and other site work approved by County and to be performed in connection with the work described in such Development Plan and the Development Documents as defined in Section 2B hereof, is referred to collectively herein as the "Development Work."
- (2) <u>Implementation of Development Plan</u>: There shall be no changes, modifications or exceptions to the Development Plan, except as expressly approved in advance in writing by the County or otherwise in accordance with this Section 6. The scope, design, density, site coverage, layout and open space, view corridors, height, construction materials, landscaping, landscaping and other improvement specifications pertaining to the Development Work shall be in accordance with the Development Plan, and shall be subject to County's approval as set forth in this Section 6. Lessee shall be responsible for the acquisition and compliance with all

required governmental approvals (including, without limitation, City, planning and entitlement approvals) for the Development Work. Lessee shall be solely responsible for all costs and expenses incurred in connection with the design, entitlement and construction of the Development Work. The remaining sections of this Section 6 pertain to the construction of the Development Work and to any other Work (as defined below) which Lessee may be required or desire to make to the Premises during the Term.

B. <u>Construction of Improvements</u>:

- (1) <u>Construction</u>: Construction of the Improvements and construction of any future alterations or replacements of the Improvements (all of which construction is hereinafter referred to sometimes as "Work") shall be made subject to the conditions hereinafter set forth, which Lessee covenants to observe and perform.
- (2) Governmental Approvals: Work shall not be undertaken until Lessee shall have provided and paid for, so far as the same may be required, from time to time, all applicable municipal and other governmental permits and authorizations of the various municipal departments and governmental agencies having jurisdiction over the work. No zoning changes or variances may be obtained except with Lessor's prior written consent, provided that Lessor shall not unreasonably withhold its consent to any petition or application for zoning change or variance as may be required for the construction of the Improvements and the uses of the Premises and Improvements permitted pursuant to this Lease. In the event, however, that any application or petition is rejected or returned for revision and Lessee is making a good faith, reasonably diligent effort to complete the necessary revisions to the plans or applications, then Lessee shall be granted an additional six months within which to obtain the necessary approvals
- (3) Commencement and Completion of Construction: All Work shall be completed at the expense of Lessee, including capital and financing costs, and without expense to Lessor. All Work shall be prosecuted to completion with due diligence. Notwithstanding the foregoing, construction of the Improvements in accordance with the Development Plan shall be commenced within six months of the issuance of all necessary permits and shall be completed (except normal punchlist items) within 24 months following the commencement of construction. For purposes of this Lease, the commencement of construction shall be the first date upon which construction activity for the Improvements is begun. Notwithstanding the foregoing, if Lessor fails to respond to any request for approval described in Section 6.D. hereof within the time frames provided therein, then Lessee shall be entitled to a day-for-day extension of the time periods set forth in this Section 6.B.
- (4) <u>Performance and Payment Bonds</u>: Prior to the execution of construction, the Contractor shall file surety bonds with the Lessee as stated in Paragraph 10.D.1.b. (viii) hereof.

C. <u>CONSTRUCTION STANDARDS</u>:

(1) <u>General Construction Standards</u>: In connection with all Work, demolition, construction, alteration, or repair work permitted herein, Lessee shall

take all reasonably necessary measures to minimize any damage, disruption or inconvenience caused by such Work and shall make adequate provision for the safety and convenience of all persons affected thereby. Lessee shall repair, at its own cost and expense, any and all damage caused by such Work, and shall restore the area upon which such Work is performed to a condition which is at least equal to or better than the condition which existed prior to the beginning of such Work, ordinary wear and tear excepted. In addition, Lessee shall pay (or cause to be paid) all Actual Costs and expenses associated therewith and shall indemnify and hold Lessor harmless from all damages, losses, or claims attributable to the performance of such Work.

- (2) <u>Utility Work</u>: Any work performed by or on behalf of Lessee or any occupant of the Premises to connect to, repair, relocate, maintain or install any storm drain, sanitary sewer, water line, gasoline, telephone conduit or any other public utility service shall be performed so as to minimize interference with the provision of such services to occupants of Harbor-UCLA Medical Center and other persons.
- (3) Compliance with Applicable Laws: All improvements on the Premises shall be constructed in compliance with all applicable local, state and federal Applicable Laws and rules and regulations governing the Harbor-UCLA Medical Center or the Premises that may be in effect. Lessee shall have the sole responsibility for obtaining all necessary permits and shall make application for such permits directly to the person or governmental agency having jurisdiction thereover.
- (4) <u>Prevailing Wages</u>: Where labor is required for public work as part of any requirements covered by this Lease, pursuant to the provisions of the Labor Code of the State of California, Lessee shall pay no less than the prevailing wages ascertained and published by the State Department of Industrial Relations and on file with the Board of Supervisors, and shall cause notice of such wages to be posted as required by the Labor Code.
- (5) <u>Construction Safeguards</u>: Lessee shall erect and properly maintain at all times, as required by the conditions and the progress of Work performed by Lessee, all necessary safeguards for the protection of workers and the public.
- (a) <u>Rights of Access</u>: Representatives of Lessor shall have the right of reasonable access to the Premises and the improvements thereon at normal construction hours during the period of construction, for the purpose of ascertaining compliance with the terms of this Lease, including, but not limited to, the inspection of the construction work being performed. Lessor's access shall be reasonably calculated to minimize interference with Lessee's construction and/or operations.
- (b) <u>Notice of Completion</u>: Upon completion of construction of any building on the Premises, Lessee shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion (each a "Notice of Completion") with respect to said Improvements, and Lessee shall provide for Lessor a diagram and shall label and identify all electrical panels, circuit breakers, switches, fire sprinklers and plumbing shut off valves as to areas controlled both on the drawings and on the breaker panels and valves. Upon completion Lessee shall furnish Harbor-UCLA Medical Center and the County's Chief Executive Office, Real Estate Division each with

one complete set of electronic reproducible as-built drawings.

D. APPROVAL OF PLANS:

(1) Approval of Plans, Drawings and Related Documents: Subject to the terms of this Lease, the Lessor shall have the right to review and approve all Development Documents, including any material changes or amendments thereto. Lessee shall submit three copies of all Development Documents to Lessor. Lessor's failure to respond to the Development Documents within 30 days following receipt of same shall be deemed disapproval thereof. Lessor's approval shall not be unreasonably withheld. However, such Lessor review and approval shall not relieve Lessee of any obligations under this Lease, including any regulatory requirements imposed by federal, state or local governments.

(a) Following Completion of Construction:

(i) Remodeling: Lessee shall have the right, at its expense, following issuance of a Notice of Completion for the Improvements, without Lessor's consent and without submission of plans or evidence of financing (but subject to all other provisions of this Lease), to undertake any nonstructural interior remodeling of any structure or any of the Improvements that is not visible from the outside and does not alter the exterior appearance, or the preexisting location of the Improvements on the Premises.

(ii) <u>Alterations and Additions</u>: Lessee shall have the right, at its expense, at any time following issuance of the Notice of Completion to undertake any alteration or addition on the Premises that is not included in Section 6.D.(1)a(i) above, subject to the written approval of Lessor and compliance with all of the provisions of this Section 6.

(2) <u>Changes to Plans Following Approval</u>: No material changes to the approved plans and specifications shall be made without the prior written approval of the Lessor. Any such proposed changes shall be submitted to Lessor for Lessor's approval or disapproval. Lessor shall have 30 days following receipt of the proposed changes in which to respond and set forth in detail the reasons for disapproval. Lessor's failure to approve such proposed changes within the 30- day period shall be deemed disapproval thereof.

E. <u>PROTECTION OF LESSOR</u>:

(1) No Consent of Lessor: Nothing in this Lease shall be construed as constituting the consent of Lessor, express or implied, to the performance of any labor or the furnishing of any materials or any specific improvements, alterations of, or repairs to, the Premises or any part thereof by any contractor, subcontractor, laborer or materialman, nor as giving Lessee or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services, or the furnishing of any materials, in such manner as would give rise to the filing of mechanics' liens or other claims against the fee of the Premises or the Lessee's Research Building No. 5 Project.

- (2) Protection Against Liens: Lessor shall have the right at all reasonable times to post, and keep posted, on the Premises any notices which Lessor may deem necessary for the protection of Lessor and of the Premises and the improvements thereof from mechanics' liens or other claims. Lessee shall give Lessor ten days prior written notice of the commencement of any work to be done on the Premises to enable Lessor to post such notices. In addition, Lessee shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons doing any work or furnishing any materials or supplies to Lessee or any of its contractors or subcontractors in connection with the Premises and the Improvements thereon in accordance with Section 9 hereof.
- (3) <u>Notice</u>: Should any claims of lien be filed against the Premises or the Improvements thereon, or any action affecting the title to the Premises or the Improvements thereon be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

7. MAINTENANCE OF LESSEE'S RESEARCH BULIDING NO. 5 PROJECT:

- A. <u>Lessor Responsibilities</u>: Lessor shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the Lessee's Research Building No. 5 Project or any part thereof, or any improvements thereon during the term of this Lease.
- B. <u>Lessee's Responsibility</u>: Throughout the term of this Lease, Lessee shall, at Lessee's sole cost and expense, maintain the Lessee's Research Building No. 5 Project in good condition and repair and in accordance with the requirements of: (i) all Applicable Laws; (ii) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; (iii) any insurance companies insuring all or any part of the Lessee's Research Building No. 5 Project, if applicable; and (iv) applicable hospital and healthcare licensing entities; and (v) the rules and regulations of County regarding the operation of the Harbor-UCLA Medical Center.
- C. <u>Waste</u>: Lessee shall not commit or permit the commission of any waste upon the Premises. Lessee shall not store or dispose of any waste or byproducts of Lessee's operation on the Premises.
- 8. NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY: This is a non-subordinated lease. Except as may be provided in Section 5, <u>UTILITIES</u>, or this Section 8, Lessee agrees that it shall not create or suffer any encumbrance upon the Premises or the Improvements without the written consent of Lessor. Lessee shall not, without obtaining the written consent of Lessor, assign any of Lessee's interest under this Lease as security. Any consent required by this Section 8 shall be evidenced by letter signed by Lessor's Chief Executive Office. Lessor shall be provide a response to any request for consent pursuant to this Section 8 within 30 days of such request; provided, however, that Lessor's failure to timely provide a response shall not be construed as consent. Lessee agrees, without any cost or expense to Lessor, to execute any instrument which is necessary or is requested by Lessor to further effect the non-subordination of this Lease. Lessee further agrees that in order to obtain

Lessor's consent hereunder: (a) any financing obtained for construction of the Building shall be and shall always remain subordinate to this Ground Lease, (b) the amount of Lessee's endowment/investment funds collateral to any proposed financing shall exceed the amount of said financing at all times during the term hereof, and Lessee shall provide Lessor with an annual written certification of Lessee's compliance with such requirement, (c) Lessee's lender for any proposed Building financing shall be required to provide written notice to Lessor in the event that Lessee's collateral falls below the loan amount, and (d) in the event of a default under Lessee's proposed financing agreements, Lessee's lender shall be entitled to proceed against Lessee's collateral only and shall in no event be entitled to proceed against the Premises. Lessee acknowledges and understands that Lessor shall be entitled to withhold its consent hereunder to any proposed financing that does not meet with all of the foregoing requirements.

9. <u>LIENS</u>:

General: Subject to the provisions of Section 4 regarding TAXES AND ASSESSMENTS and Section 8 regarding NON-SUBORDINATION AND NON-ASSIGNMENT AS SECURITY, Lessee hereby covenants to keep the Premises and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Lessee's acts or omissions and/or created by the performance of any labor or furnishing of any material, supplies, or equipment contemplated hereunder. Lessor covenants to keep the Lessee's Research Building No. 5 Project and every part thereof free and clear of any and all liens or encumbrances of any kind whatsoever created by Lessor's acts or omissions or those of its agents or employees, and shall indemnify and hold Lessee harmless from any such Lessor created liens or demands. Lessee further agrees to hold Lessor and the Premises and all parts thereof free and harmless from any such Lessee-created liens, claims, or demands, and any and all costs, damages or liability in connection therewith, together with reasonable attorney's fees and all Actual Cost and expenses incurred by Lessor in negotiating, settling, defending, and otherwise protecting the Premises or Lessee's Research Building No. 5 Project or any part thereof against such liens, claims or demands.

Mechanics' and other Liens: Lessee shall pay, or cause to be paid, the total cost and expense of all works of improvement as that phrase is defined in the applicable mechanics' lien law in effect when the Work begins. Lessee shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien, arising out of the performance of the Lease, to stand against the Premises or Lessee's Research Building No. 5 Project, or any part thereof. If any such lien shall be filed against the Premises or Lessee's Research Building No. 5 Project, Lessee shall cause the same to be discharged within ten days after actual notice of such filing, by payment, deposit, or bond. If Lessee fails to discharge any such lien, Lessor may, but shall not be obligated to, discharge the same, and any amount so paid or deposited by Lessor and all Actual Costs and expenses incurred by Lessor, including reasonable attorney's fees, shall become immediately due and payable by Lessee to Lessor, together with interest thereon computed at the rate of seven percent per annum. If Lessee desires to contest any such lien, Lessee shall notify Lessor in writing of Lessee's intention to do so within ten days after the filing of and service upon Lessee of such lien, or lose the right to In such case, provided that Lessee shall furnish the bond required by contest.

California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the Premises and Lessee's Research Building No. 5 Project from the effect of such lien), Lessee shall not be in default until five days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge any such lien to the extent held valid, but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereto, and such delay shall be a material default of Lessee hereunder. In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, Actual Cost, expense and damage, including reasonable attorney's fees, resulting therefrom.

10. INDEMNIFICATION AND INSURANCE

- To the fullest extent permitted by law, the Design-Builder/Lessee shall indemnify, defend, and hold harmless the COUNTY, its Special Districts, elected and appointed officials, the Board of Supervisors, officers, employees, agents, and trustees (the Indemnified Parties) from and against any and all liability, loss, injury, or damage, including, but not limited to, demands, claims, lawsuits, actions, proceedings, judgments, settlements, awards, fees, costs, and expenses (including any fees of accountants, attorneys, experts, or other professionals, and costs of investigation, mediation, arbitration, litigation, and appeal), which arise out of, pertain to, or relate to the Work, CONTRACT or Project performed by the Design-Builder/Lessee or its Subcontractors and Subconsultants, or anyone directly or indirectly engaged by the Design-Builder/Lessee relating to or in connection with the Work, CONTRACT or Project, including, but not limited to, any design-related services and/or non-designrelated services (including, but not limited to, construction services). The Design-Builder/Lessee's duty to defend, indemnify, and hold harmless the Indemnified Parties includes, but is not limited to, bodily injury, death, property damage, and other damage (including, but not limited to, economic loss, and liability arising from contract, tort, patent, copyright, trade secret, or trademark infringement).
- B. In the event that California Civil Code Section 2782.8 is determined by a court of competent jurisdiction to apply to Design-Builder/Lessee's indemnity and defense obligations under section 10.A., as applied to the design-related services provided by the Design-Builder/Lessee or its Subcontractors and Subconsultants, then, with respect to such design-related services only, the Design-Builder/Lessee agrees to indemnify, defend, and hold harmless the Indemnified Parties from and against any and all liability, loss, injury or damage, including, but not limited to, demands, claims, lawsuits, actions, proceedings, judgments, settlements, awards, fees, costs, and expenses (including any fees of accountants, attorneys, experts, or other professionals, and costs of investigation, mediation, arbitration, litigation, and appeal), which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design-Builder/Lessee or its Subcontractors and Subconsultants in connection with the Work, CONTRACT, or Project. In such event, however, with respect to any non-designrelated services (including, but not limited to, construction services) provided by the Design-Builder/Lessee, Design-Builder/Lessee's indemnity and defense obligations under section 10.A., shall fully apply thereto as stated at section 10.A.
 - C. The indemnity and defense obligations provided for in this section are

separate and apart from the insurance provisions set forth in Sections 10 (2) and 10 (C) and do not limit, in any way, the applicability, scope, or obligations of Design-Builder/Lessee set forth in such insurance provisions.

- D. The indemnity and defense obligations provided for in this section shall survive the termination, rescission, breach, abandonment, or completion of the Work or the CONTRACT. If the Design-Builder/Lessee fails to perform any of these indemnities or defense obligations, COUNTY may in its discretion charge the Design-Builder/Lessee for COUNTY's costs and damages resulting therefrom and deduct such amounts from the CONTRACT Sum.
- 1. <u>Insurance</u>: Without limiting Lessee's indemnification of Lessor, and during the Term of this Lease, Lessee shall provide and maintain the following insurance. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Lessee's own expense.
- a. <u>Evidence of Insurance</u>. Such insurance shall be provided by insurer(s) satisfactory to County and evidence of such insurance shall be delivered to County at the Chief Executive Office, Real Estate Management Division, 222 South Hill Street, Los Angeles. Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to County prior to the Commencement Date and shall:
 - (i) Specifically identify this Lease;
 - (ii) Clearly evidence all coverage required in this Lease;
 - (iii) Contain the express condition that insurer will use its best efforts to give written notice by mail to County at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance; and
 - (iv) Identify any deductibles or self-insured retentions exceeding \$25,000.
- b. <u>Insurance Coverage Requirements</u>. Lessee shall maintain the following:
- (i) General Liability insurance (written by ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

General Aggregate:

\$ 5 million

Products/Completed Operations:

\$ 2 million

Personal and Advertising Injury:

\$ 2 million

Each Occurrence:

\$ 2 million

(ii) Automobile Liability insurance: Written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$5 million for bodily injury property damage, in combined or its equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Contractor's use of vehicles pursuant to this Project, including owned, leased, hired, and/or non-owned autos, as each may be applicable. Lessee will provide pollution insurance for the transport of waste generated and the coverage will be at least as broad as provided with the ISO endorsement policy form CA 99 48 03 06.

(iii) Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Lessee is responsible, and including Employers' Liability coverage with limits of not less than the following:

Each Accident:

\$ 1 million

Disease – policy limit:

\$ 1 million

Disease – each employee:

\$ 1 million

(iv) Commercial Property Insurance – Special form (All Risk) coverage, including coverage for improvements and betterments, excluding EQ and flood, and including ordinance or law coverage, written for the full replacement value of the Building and the Improvements.

(v) Pollution Liability - insurance (providing scope of coverage equivalent to ISO policy form CG 00 39), naming County and its Agents as an additional insured, with limits of not less than \$10 Million. The County and its Agents shall be named as an Additional Insured and Loss Payee on Contractor's insurance as its interests may appear.

(vi) Professional Liability/Errors and Omission insurance. Such insurance shall cover liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees arising from or related to the design and construction with limits of not less than \$1 million per occurrence. And 2 million aggregate. The coverage shall also provide an extended five years from the date the construction is completed and accepted by the tenant and County.

- 2. <u>Construction Insurance</u>. In addition to the above Lessee Insurance Requirements, and throughout the period of construction of Lessee's Research Building No. 5 Project, Lessee shall have its Contractor provide and maintain, or Lessee shall provide and maintain, the following programs of insurance. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Lessor, and such coverage shall be provided and maintained at no cost to Lessor. Such coverage shall contain the express condition that Lessor is to be given written notice by mail at least 30 days in advance of cancellation for all policies evidenced on the certificate of insurance.
- a. <u>Builder's risk course of construction insurance</u>. Such coverage shall:

- (i) Insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and be endorsed to include ordinance or law coverage, coverage for temporary offsite storage, pollutant clean-up and removal, preservation of property, and full collapse coverage during construction (without restricting collapse coverage to specified perils);
- (ii) Be written on a completed value basis and cover the entire work against loss or damage until completion and acceptance by the Lessee; and
- (iii) Provide a per occurrence deductible of not greater than five percent (5%) of the value insured for all perils.
- (iv) General Liability or Owners/Contractors Protective (OCP) insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate

\$ 10 million

Products/Completed Operations Aggregate:

\$ 10 million

Personal and Advertising Injury:

\$ 5 million

Each Occurrence:

\$ 5 million

The Lessor also shall be named as an additional insured (ISO form CG 20 10 or equivalent) under the Contractor's policy.

- (v) Automobile Liability Insurance (written ISO policy form CG 00 01 or its equivalent) with a limit of liability of not less than \$2 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "nonowned" vehicles (or for "any auto") utilized by Contractor.
- (vi) Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employee with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Lease.
- (vii) Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which Contractor is responsible. Such insurance shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:

\$1 million

Disease – policy limit:

\$1 million

b. Asbestos or Pollution Abatement Liability Insurance:

If construction requires remediation of asbestos or pollutants, such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal, or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring, and treatment of asbestos or pollutants in compliance with governmental mandate or requests. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the contractor's of Subcontractor's Automobile Liability Insurance. Contractor shall maintain limits of not less than \$1,000,000.

c. Contractors Pollution Liability:

Contractor and all Subcontractors shall be covered for pollution liability, including transportation and cleanup arising from the handling, application or other release of pollution from operations under this contract. Coverage shall be for sudden and accidental occurrences with limits no less than \$1,000,000. Coverage shall apply for the entire construction period and include coverage for completed operations for a period of at least then (10) years after final completion.

3. <u>Performance Security Requirements</u>. Prior to execution of the Construction Contract between Lessee and its Contractor, the Contractor shall file surety bonds with the Lessee in the amounts and for the purposes noted below. All bonds issued in compliance with the Construction Contract shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) (see www.fms.treas.gov/c570/) and is satisfactory to the Lessee, and it shall pay all premiums and costs thereof and incidental thereto.

Each bond shall be signed by both the Lessee's Contractor (as Principal) and the Surety.

The Lessee shall require its Contractor to provide two surety bonds with good and sufficient sureties: the first in the sum of not less than 80% of the Contract price to assure the payment of claims of material men supplying materials to the Contractor, subcontractors and mechanics and laborers employed by the Contractor on the Work and the second in the sum of not less than 100% of the Contract price to assure the faithful performance of the Construction Contract.

- a. The "Materials and Labor Bond" (or "Payment Bond") shall be so conditioned as to insure to the benefit of persons furnishing materials for or performing labor upon the Work. This bond shall be maintained by the Contractor in full force and effect until the Work is completed and accepted by the Lessee, and until all claims for materials, labor and subcontracts are paid.
 - b. The "Bond for Faithful Performance" shall be so conditioned

as to assure the faithful performance by the Contractor of all Work under said Construction Contract, within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the Lessee, that all materials and workmanship supplied by Contractor will be free from original or developed defects, and that should original or developed defects or failures appear within a period of one year from the date of Acceptance of the Work by the Lessee, the Contractor shall, at Contractor's own expense, make good such defects and failures and make all replacements and adjustments required, within a reasonable time after being notified by the Lessee to do so, and to the approval of the department. This bond shall be maintained by the Contractor in full force and effect during the performance of the Work under this Lease and for a period of one year after acceptance of the Work by the Lessee.

Should any surety or sureties upon said bonds or any of them become insufficient or be deemed unsatisfactory by the Lessee, said Contractor shall replace said bond or bonds with good and sufficient sureties within 10 days after receiving notice from the Lessee that the surety or sureties are insufficient or unsatisfactory.

Lessee shall stipulate in the Construction Contract that no further payment shall be deemed due or will be made to Contractor until the new sureties shall qualify and be accepted by the Lessee.

11. REPAIR AND RESTORATION:

- A. If, during the Term of this Lease, the Improvements are damaged due to a risk covered by insurance maintained under Section 10.B.(2)a. of this Lease, Lessee shall cause the damage to be repaired and the Improvements restored to substantially the same condition as they were in immediately before such damage.
- B. If, during the Term of this Lease, the Improvements are damaged due to a risk not covered by insurance maintained under Section 10.B.(2)a. of this Lease, and whether or not such damage is substantial, Lessee may elect either to cause the damage to be repaired and the Improvements restored to substantially the same condition as they were immediately before the damage or to terminate this Lease, and Lessee shall restore the Premises to its previous condition. Said election shall be made by written notice to Lessor within 60 days of the occurrence of the damage.
- C. If the Improvements are damaged during the last two years of the primary or option term of this Lease, whether or not the damage is substantial, either party may elect to terminate this Lease. Said election shall be made by written notice to the other party within 60 days of the occurrence of the damage. In the absence of a timely election by either party, the parties shall be deemed not to have terminated this Lease.
- (1) As used in Section 11.C., the term "substantial" means damage to the Improvements requiring repair or restoration at a cost in excess of 50% of the per-damage replacement cost value of the Improvements.

- D. If Lessee is required or elects to repair any damage to the Improvements, such damage shall be repaired and the Improvements restored to substantially the same condition as they were in immediately before the damage as promptly as is reasonably possible. To the extent the damage is due to a risk covered by insurance maintained under Section 10.B.(2)a. of this Lease, such repairs shall be made from the proceeds of such insurance and the proceeds of such insurance shall be made available to Lessee for such purpose. All work shall be performed in a good and workmanlike manner and shall be completed as promptly as is reasonably possible and in accordance with all applicable public Applicable Laws, ordinances and regulations. Commencement of the repair and restoration shall require (a) securing the area to prevent injury to persons and/or vandalism to the Improvements and (b) the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration. In no event shall Lessee be required to repair, replace or restore any damaged equipment, personal property, or trade fixtures of Lessor located in or about the Improvements, it being understood that the repair, replacement, or restoration thereof shall be the sole responsibility and expense of Lessor.
- E. Notwithstanding any provision contained in this Lease to the contrary, if the Applicable Laws existing at the time of the damage do not permit the repair or restoration, either party may terminate this Lease immediately by giving written notice to the other party. If this Lease is terminated pursuant to any of the provisions in this Section 10.E., the proceeds of any and all insurance maintained under Section 10.B.(2)a of this Lease shall be the sole property of Lessee and shall, if received by Lessor, be promptly paid to Lessee; however, the proceeds are to be used first to restore the Premises to a condition substantially the same as that existing immediately prior to such damage.
- (1) Lessee waives the provisions of California Civil Code Sections 1932(2) and 1933(4) which relate to termination of leases when the thing leased is destroyed and agrees that such event shall be governed exclusively by the terms of this Lease.

12. DEFAULT:

- A. <u>Material Default</u>: The occurrence of any of the following shall constitute a material default and breach of this Lease, which shall allow Lessor, in addition to any other rights or remedies at law or in equity, to terminate this Lease:
- Obligations hereunder when such failure continues for 30 days after written notice thereof to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such 30 day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion. Failure to observe and perform Lessee's Obligations shall not include those instances where the Premises are not in use because of remodeling, repairs, or the replacement of equipment, provided that such remodeling, repairs, and replacement are undertaken and completed in a prompt manner by Lessee.

- (2) A default under Section 15 of this Lease.
- (3) A failure by Lessee to maintain funds in excess of the amount of any Building financing as collateral for said financing (as required by Section 8 of this Lease).
- B. <u>Remedies</u>: If Lessee defaults under this Lease, Lessor, without further notice to Lessee shall, in addition to any other remedies available by Law or equity, have one or more of the following remedies at Lessor's election:
- (1) Without barring later election of any other remedy and without terminating Lessee's right to possession of the Lessee's Research Building No. 5 Project, or any part thereof, Lessor may require strict performance of all covenants and obligations herein as the same shall accrue or become due, without terminating this Lease, and Lessor shall have the right of action therefor without awaiting the end of the Lease term.
- (2) If Lessor obtains possession of the Lessee's Research Building No. 5 Project under a judgment pursuant to Section 1174 of the California Code of Civil Procedure (unless Lessee obtains relief under Section 1179 of that Code) or if Lessor, by written notice declares the Lease to be terminated because of breach of this Lease, then Lessor may enter upon the Lessee's Research Building No. 5 Project and remove any and all persons and or property whatsoever situated thereon, and place all or any portion of said property in storage for the account of and at the expense of Lessee and dispose of such property in accordance with Applicable Laws. Lessor shall be entitled to recover in one or more awards or judgment from Lessee:
- (a) Any amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom. Such other amount shall include, but not be limited to, such expenses (including reasonable attorney's fees) as Lessor may have paid, assumed, or incurred in recovering possession of Premises, placing the Premises in good order and condition, preparing or altering Premises for reletting, and reletting the Premises during any part of time for which a rental concession, if any, had been given by Lessor.
- (b) Lessor may at Lessor's election terminate this Lease by giving Lessee notice of termination. On the giving of the notice to Lessee, all Lessee's rights in the Premises and in the Improvements shall terminate. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have so declared in writing to Lessee, nor shall Lessor be deemed to have accepted or consented to an abandonment by Lessee by performing acts intended to maintain or preserve the Premises, making efforts to relet the Premises or appointing a receiver to protect Lessor's interest under this Lease. Promptly after notice of termination, Lessee shall surrender and vacate the Lessee's Research Building No. 5 Project in a broom-clean condition, and Lessor may re-enter and take possession of the Lessee's Research Building No. 5 Project and/or eject all parties in possession, some and not others, or eject none. Termination under this Section shall not relieve Lessee from any obligations under this Lease or from any claim for damages incurred or accruing against Lessee up

to the date of termination.

- (3) Lessor may at Lessor's election enter the Lessee's Research Building No. 5 Project and, without terminating this Lease, at any time and from time to time may use or let the Premises or the Improvements or any part or parts of them for the account and in the name of Lessor or otherwise. Any reletting may be for the remainder of the Term or for a longer or shorter period. Lessor may execute any lease made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation, or occupancy of the Lessee's Research Building No. 5 Project or any part thereof. Lessee shall, upon such election by Lessor, have the right to immediately remove its personal property and trade fixtures.
- (4) Subject to Lessee's and Lessor's rights to contest as provided elsewhere in this Lease, if, at any time during the Term of this Lease, Lessee fails, refuses, or neglects to do any of the things herein required to be done by the Lessee, Lessor shall have the right, but not the obligation, to do the same, but at the cost of and for the account of the Lessee; provided, however, that the Lessor shall in no case take such action until first giving the Lessee written notice of such failure, refusal, or neglect and allowing time periods, as specified in this Lease, within which Lessee may commence a bona fide effort to cure the same.
- C. <u>Equitable Relief</u>: Nothing contained herein shall affect, change, or waive any rights of Lessor or Lessee to obtain equitable relief when such relief is otherwise appropriate, or to obtain the relief provided by Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, relating to actions for unlawful detainer, forcible entry, and forcible detainer.
- D. <u>Cumulative Remedies</u>: The remedies of Lessor as provided above are cumulative and in addition to, rather than exclusive of, any other remedy of Lessor herein given or that may be permitted by Law. Any lawful re-entry as provided for herein shall not make Lessor liable in damages or guilty of trespass because of any such lawful re-entry.
- WAIVER OF CONDITIONS OR COVENANTS: Any waiver by Lessor of 13. any breach or any one or more of the covenants, conditions, terms and agreements of this Lease shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term, or agreement of this Lease, nor shall failure on the part of Lessor to require exact, full and complete compliance with any of the covenants, conditions, terms, and agreements of this Lease be construed as in any manner changing the terms hereof, nor shall the terms of this Lease be changed or altered in any manner whatsoever other than by written agreement between Lessor and Lessee. No delay, failure, or omission of Lessor to re-enter the Premises or to exercise any right, power, privilege, or option, arising from any default shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or as a relinquishment of any right. No notice to Lessee shall be required to restore or revise "time is of the essence" after the waiver by Lessor of any default. No option, right, power, remedy, or privilege of Lessor shall be construed as being exhausted by the exercise thereof in one or more instance. The rights, powers, options, and remedies given Lessor by this Lease shall be cumulative.

14. <u>EMINENT DOMAIN</u>: If the whole or any part of the Premises shall be taken by any paramount public authority under the power of eminent domain, then the Term of this Lease shall cease as to the part so taken from the day the possession of that part shall be taken for any public purpose, and from that day Lessee shall have the right to either cancel this Lease or to continue in the possession of the remainder of these Premises under the terms herein provided. All damages awarded for such taking shall belong to and be the property of Lessor provided, however, that Lessor shall not be entitled to any portion of the award made for loss of structures, buildings, or other improvements or personal property, equipment, and trade fixtures belonging to Lessee immediately prior to the taking of possession by the condemning authority.

15. ASSIGNMENT/SUBLETTING:

- A. <u>No Assignment</u>: Lessee shall not, without the prior written consent of Lessor, either directly or indirectly give, assign, hypothecate, encumber, transfer, or grant control of this Lease or any interest, right, or privilege therein, or sublet the whole or any portion of the Premises, or license the use of the same in whole or in part. In addition, for purposes of this Section 15, County consent shall require a written amendment to this Lease, which amendment must be formally approved and executed by the parties. Said consent shall not be unreasonably withheld. For purposes of this provision, the following acts of Lessee shall be considered an assignment requiring the prior written consent of Lessor to be effective:
- (1) Any disposition(s) that effectuates a change in the majority control of Lessee to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Lease; and
- (2) Any assumption, assignment, delegation, or takeover of any of the Lessee's duties, responsibilities, obligations, or performance of same hereunder by any entity other than the Lessee (whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism), with or without consideration, for any reason whatsoever.

In the event one of the above occurs without County's express prior written approval, such occurrence shall constitute a material breach of this Lease which shall entitle County, at its discretion, to terminate this Lease. In the event of such termination, County shall be entitled to pursue the same remedies against Lessee as it could pursue in the event of default by Lessee pursuant to the terms hereof, including without limitation Section 12, at law and in equity.

B. <u>No Involuntary Assignment</u>: Neither this Lease nor any interest therein shall be assignable or transferable in proceedings in attachment, garnishment or execution against Lessee, or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against Lessee, so that the same and the making by Lessee of any general assignment for the benefit of creditors; or the filing of a petition to have Lessee adjudicated a bankruptcy, or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days; or the appointment of a trustee or receiver to take possession of substantially all of Lessee's

assets located at the Lessee's Research Building No. 5 Project or of Lessee's interest in this Lease, when such seizure is not discharged within 60 days, shall be a material default under this Lease.

- 16. OWNERSHIP OF IMPROVEMENTS DURING TERM: Subject to Section 5(C) hereof, until expiration or sooner termination of this Lease, the Improvements and all alterations, additions, or betterments made thereto by Lessee shall be owned by Lessee. Lessor shall have no right, title or interest therein except as expressly set forth in this Lease; provided, however, that Lessee's rights and powers with respect to the Improvements are subject to the term and limitations of this Lease. Once constructed, the Improvements shall not be removed from the Premises, nor shall Lessee waste, destroy or modify any Improvements except as specifically permitted by this Lease.
- 17. <u>REVERSION OF IMPROVEMENTS AND SURRENDER:</u> At the expiration or sooner termination of the Term of this Lease, at the election of Lessor, and without notice to Lessee, all structures, buildings (including the Building), Improvements and all alterations, additions, and betterments thereto, and all other improvements made to or upon the Premises shall remain upon and be surrendered with the Premises as part thereof and title thereto shall automatically vest in Lessor without compensation therefor to Lessee.

In the alternative, at the expiration or sooner termination of the Term of this Lease, Lessor may, at Lessor's sole election, require the removal from the Property, at Lessee's sole cost and expense, the Improvements, all personal property and/or trade fixtures, as specified in the written notice provided for hereinbelow (the "Removal Notice"). A Removal Notice to take effect at the normal expiration of the Term shall be effected by notice given at least 30 days before the expiration date. A Removal Notice to take effect on any date other than the normal expiration of the Term of this Lease shall be effectuated by notice given concurrently with notice of such termination or within ten days after such notice of termination. Lessee shall be liable to Lessor for costs incurred in effecting the removal of personal property and trade fixtures of Lessee which Lessee has failed to remove after demand pursuant to this Section. Lessee may remove any personal property and trade fixtures from time to time during the Lease Term and within 45 days following the expiration of the Term. Lessee shall repair all damage (structural or otherwise) caused by any such removal; provided that damage to improvements which are obsolete economically or functionally or which are not material need not be repaired so long as the Improvements are or are made structurally sound. Any personal property and trade fixtures not removed by Lessee within 45 days following expiration of the Term shall be deemed abandoned by Lessee and shall, without compensation to Lessee, then become Lessor's property free and clear of all claims to or against them by Lessee or any other person, except as otherwise provided in this Lease.

In the event that Lessor elects to require the removal from the Property of all the Improvements, personal property and/or trade fixtures, Lessor, within ten days of demand from Lessee, shall execute and deliver any document required by any supplier, lessor, vendor, or lender in connection with the installation on the Property of Lessee's personal property or Lessee's trade fixtures in which Lessor waives any right it may have or acquire with respect to that property, if the supplier, lessor, vendor or lender

agrees in writing that: (a) it will remove or commence the removal of, or cause Lessee to remove or commence the removal of, that property from the Property before expiration of the Term of this Lease or within 30 days thereafter, and (b) it will make, or require Lessee to make, whatever restoration to the Property is reasonably necessitated by the removal.

18. HAZARDOUS SUBSTANCES:

A. <u>Definition</u>: For purpose of this Lease, the term Hazardous Substances shall be deemed to include "hazardous substances" as defined in California Health and Safety Code Section 25316, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

B. Warranties and Representations:

Lessee hereby warrants and represents that it will not cause the presence, use, storage, or disposal of any Hazardous Substances on or about the Premises without the prior written consent of Lessor.

- (1) Lessee hereby warrants and represents that it shall comply with all Applicable Laws and regulations concerning the use, release, storage, and disposal by Lessee, its agents, and contractors of Hazardous Substances on the Premises. Lessor hereby warrants and represents that it has complied with all Applicable Laws and regulations concerning the use, release, storage, and disposal of Hazardous Substances on the Premises, and that said compliance was in effect prior to the beginning of the Term of this Lease.
- C. <u>Notice</u>: Lessee agrees to immediately notify Lessor when Hazardous Substances have been released on the Premises, upon becoming aware of the same.

D. Indemnity:

- (1) Lessee agrees to indemnify, defend, and hold harmless Lessor and its Special Districts, elected and appointed officers, agents and employees, from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises which is caused by Lessee.
- (2) Lessor agrees to indemnify, defend and hold harmless Lessee, from and against all liability, expense (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of Hazardous Substances on the Premises, which occurred prior to the beginning of the Primary Term of this Lease or which occurs thereafter and is caused by Lessor.
- (3) The indemnity provided by this Section 18 shall survive the termination of this Lease.

- E. <u>Default</u>: Lessee's failure to comply with the provisions of this Section 18 may, in Lessor's sole discretion, be deemed a default of this Lease and entitle Lessor to terminate this Lease immediately.
- 19. <u>ADMINISTRATION</u>: The Director of County's Department of Health Services or his authorized designee shall have the authority to administer this Lease on behalf of County.
- 20. <u>COUNTY'S LOBBYISTS</u>: Lessee and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Lessee, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessee or any County lobbyist or County lobbying firm retained by Lessee to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Lease upon which County may immediately terminate or suspend this Lease.
- 21. <u>NOTICES</u>: Notices desired or required to be given by this Lease or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope with postage prepaid, registered mail, return receipt requested, with the United States Postal Service. Addresses and persons to be notified may be changed by providing at least ten days' written notice to the other party except that Lessee shall at all time maintain a mailing address in California.
 - A. Notices to Lessee shall be addressed as follows:

Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center 1124 Carson Street Torrance, CA 90502

Attn: President and Chief Executive Officer

- B. Notices to Lessor shall be addressed as follows:
 - (1) Chief Executive Office
 Real Estate Division
 222 South Hill Street, 3rd Floor
 Los Angeles, California 90012

Attn: Director of Real Estate

- (2) Department of Health Services
 Contracts and Grants Division
 313 N. Figueroa Street, 6th Floor
 Los Angeles, California 90012
 Attn: Division Chief
- (3) Harbor-UCLA Medical Center 1000 Carson Street

Torrance, CA 90509 Attn: Administrator

22. GENERAL PROVISIONS:

- A. <u>Waiver</u>: The waiver by Lessor or Lessee of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition on any subsequent breach of the same or any other term, covenant, or condition herein contained.
- B. <u>Marginal Headings</u>: The Section titles in this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
- C. <u>Time</u>: Time is of the essence for this Lease and each and all of its provisions in which performance is a factor.
- D, <u>Recordation</u>: Either party may record this Lease at any time without the prior written consent of the other party.
- E. <u>Binding on Successors</u>: Each and all of the terms and agreements herein contained shall be binding upon and shall inure to the benefit of the successors in interest of the Lessee, and whatever the context permits or requires, the successors in interest to the Lessor.
- F. <u>Prior Agreements</u>: The Lease, agreements incorporated by reference and attachments hereto contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.
- G. <u>Unavoidable Delay</u>: Any prevention, delay, non-performance or stoppage due to any of the following causes shall excuse non-performance for a period equal to any such prevention, delay, non-performance or stoppage. The causes referred to above are: strikes, lockouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, Governmental restrictions or regulations or controls, casualties not contemplated by insurance provisions of this Lease, or other cause beyond the reasonable control of the party obligated to perform.
- H. <u>Separability</u>: Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.
 - I. <u>Cumulative Remedies</u>: No remedy or election hereunder shall be

deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

- J. <u>Choice of Law</u>: This Lease shall be governed by the internal laws of the State of California.
- K. <u>Arbitration</u>: In the event of any dispute regarding the terms, conditions, rights, or obligations of the parties hereto, such dispute may, at the request of either party, be submitted to arbitration in accordance with the provisions of California Code of Civil Procedure Section 1280 et. seq., as they now exist or may later be amended. The Chief Executive Office, Director of Real Estate, or his designee, shall act on behalf of Lessor in arbitration with the assistance of County Counsel, for so long as County is the Lessor under this Lease, provided, however, that the settlement of certain claims my be subject to approval by the County's Board of Supervisors.
- L. <u>Interpretation</u>: Unless the context of this Lease clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Lease to be subscribed by its Mayor and Lessee has caused this Lease to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES
By:
LOS ANGELES BIOMEDICAL RESEARCH INSTITUTE AT HARBOR UCLA MEDICAL CENTER, a California Corporation
By: David I. Meyer President and CEO
By: Eric S. Daar, Secretary

County Counsel

Deputy

By:

ANDREA SHERIDAN ORDIN

EXHIBIT A Premises Map





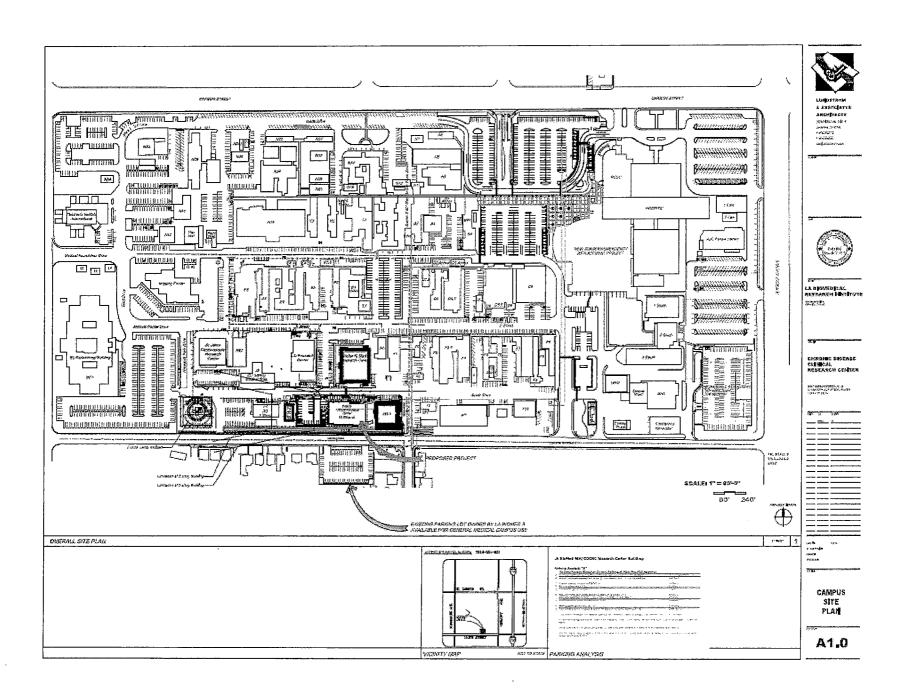


EXHIBIT B Legal Description

BEING A PORTION OF LOT 13 OF TRACT NO. 3239, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 37, PAGES 27 AND 28, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF NORMANDIE AVENUE (66.00 FEET WIDE), WITH THE CENTERLINE OF 220TH STREET (FORMERLY AMELIA STREET) (50.00 FEET WIDE), BOTH AS SHOWN ON SAID MAP; THENCE ALONG SAID LAST MENTIONED CENTERLINE, SOUTH 89°43°00" EAST 1328.46 FEET TO THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF MEYLER STREET (NOW VACATED, FOR PRIVATE USE ONLY) (50.00 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG SAID PROLONGATION AND SAID WESTERLY LINE, NORTH 00°03"00" WEST 50.00 FEET TO A POINT ON A LINE PARALLEL WITH AND 4.70 FEET NORTHERLY OF THE NORTH LINE OF THAT CERTAIN EASEMENT GRANTED TO THE COUNTY OF LOS ANGELES FLOOD CONTROL DISTRICT, RECORDED DECEMBER 19, 1985 AS INSTRUMENT NO. 85-1498464 OF OFFICIAL RECORDS; THENCE ALONG SAID PARALLEL LINE, NORTH 89°43'00" WEST 108.48 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID PARALLEL LINE. NORTH 89°43'00" WEST 287.17 FEET; THENCE LEAVING SAID PARALLEL LINE, NORTH 00°17'00" EAST 114.85 FEET TO A POINT ON A LINE PARALLEL WITH AND 119.55 FEET NORTHERLY OF SAID NORTH LINE; THENCE ALONG SAID PARALLEL LINE, SOUTH 89°43'00" EAST 287.17 FEET; THENCE SOUTH 00°17'00" WEST 114.85 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINS: 32,980 SQ. FT. = 0.757 ACRES

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.





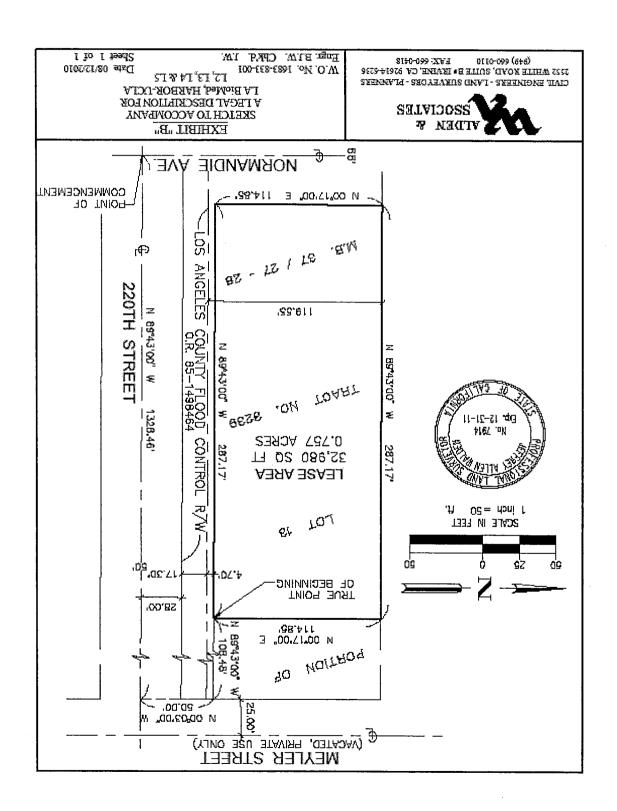
CIVIL ENGINEERS - LAND SURVEYORS - PLANNERS 2552 WHITE ROAD, SUITE B • IRVINE, CA 92614-6274 (949)-660-0110 FAX: 660-0418 EXHIBIT "A"

LEGAL DESCRIPTION FOR

LA BioMed, HARBOR-UCLA

L2, L3, L4 & L5

W.O. No.1683-833-001 Engr.B.J.W. Chk'd. J.W. Date: 08/12/2010 Sheet 1 of 1







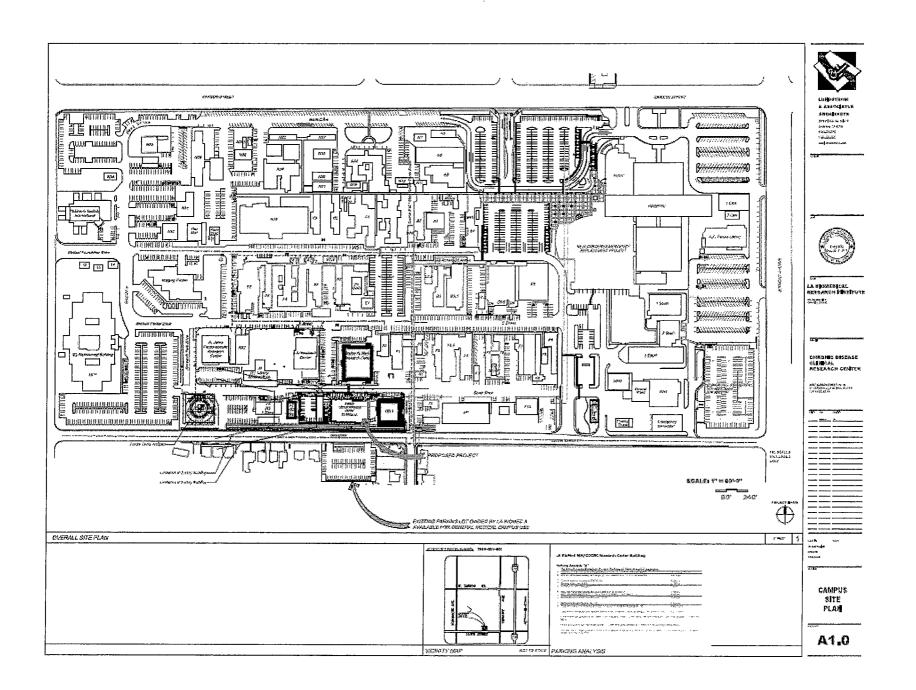
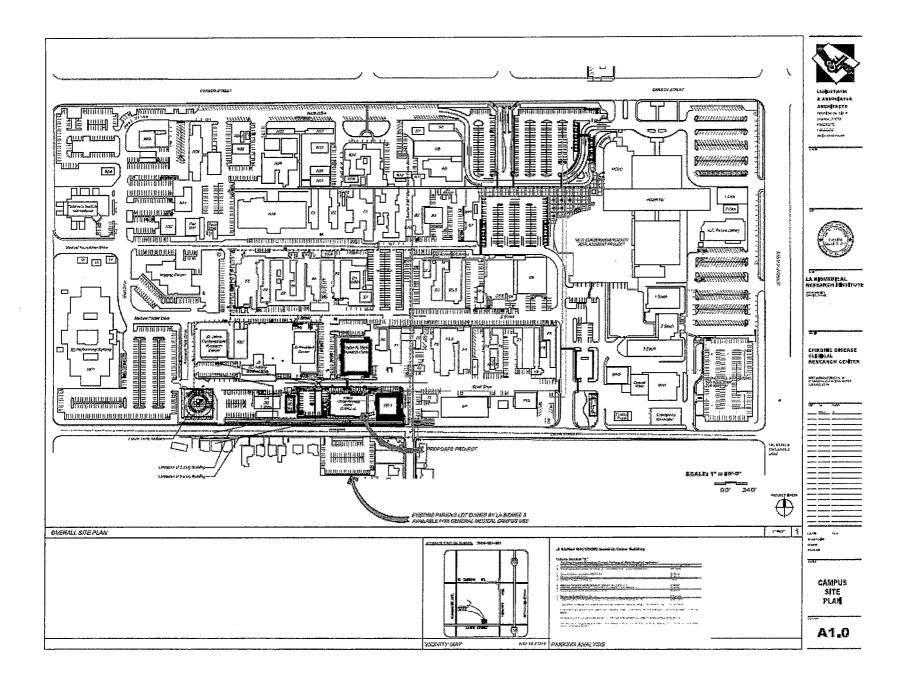


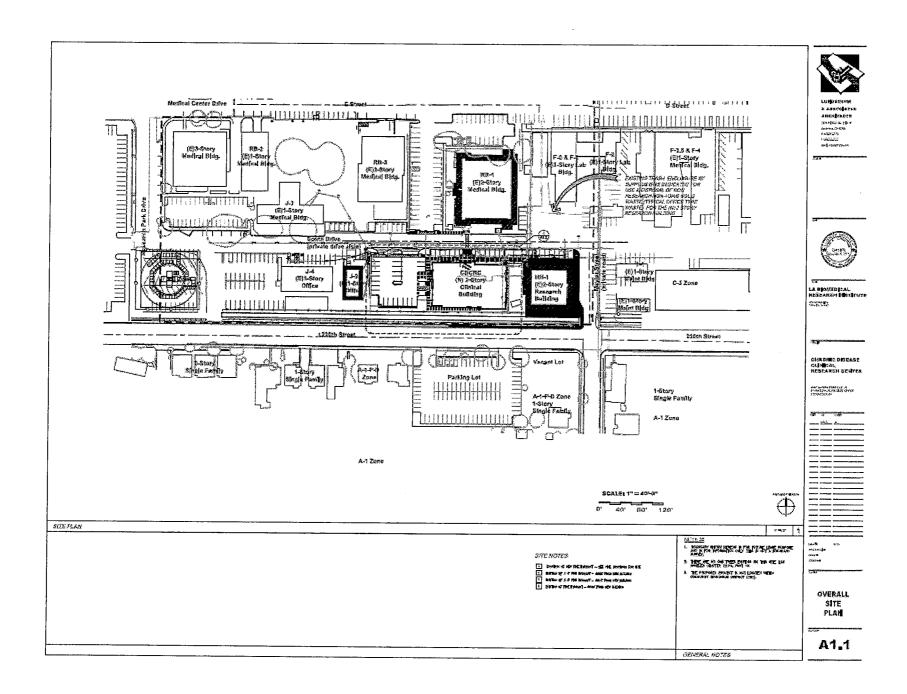
EXHIBIT C Development Plan

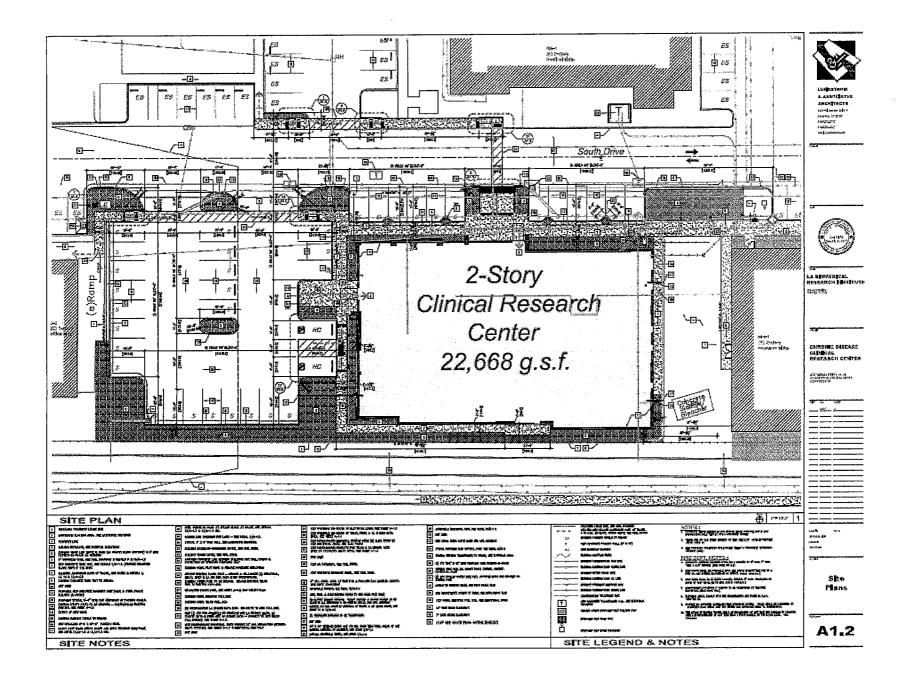






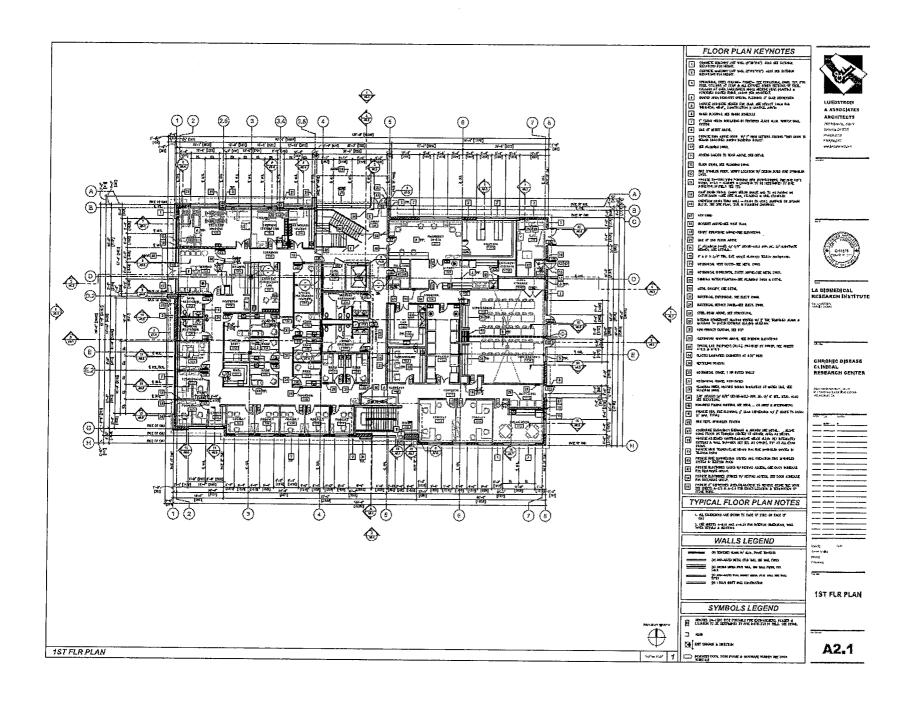






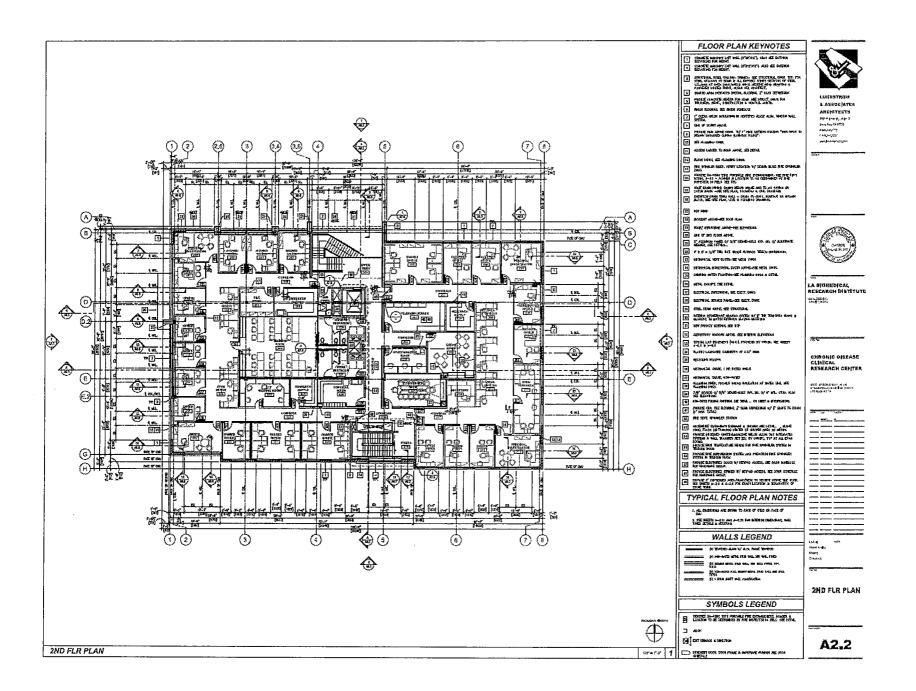




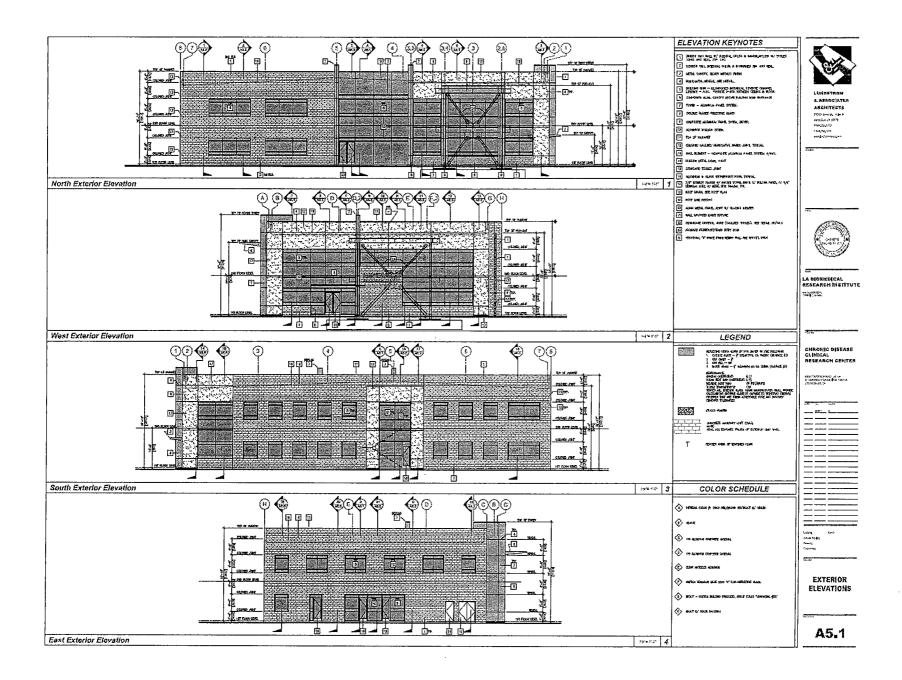












ATTACHMENT B

NEGATIVE DECLARATION

CHRONIC DISEASE CLINICAL RESEARCH CENTER
OF LOS ANGELES BIOMEDICAL RESEARCH INSTITUTE



PROPOSED NEGATIVE DECLARATION

SEP 07 2010

PROJECT REFERENCE:
Chronic Disease Clinical Research Center
Of Los Angeles Biomedical Research Institute
Unincorporated Area of Los Angeles County, State of California

DEA/I C. LOGAN
REGISTRAR RECORDER GOUNTY CLERK
T. YATES DEPUTY

1. **DESCRIPTION**:

1

The project consists of the construction of the Chronic Disease Clinical Research Center of the Los Angeles Biomedical Research Institute within the existing Harbor-UCLA Medical Center Campus. The Harbor-UCLA Medical Center is owned by the County of Los Angeles, under the jurisdiction of the Los Angeles County Department of Health Services. The overall campus address is 1000 West Carson Street in the Unincorporated area of Los Angeles County. The address for the portion of the campus proposed for the project (project site) will be assigned by the County when the Building Permit is processed.

The project site is a flat (approximately 2 percent slope), 32,988 S.F./0.76 acre parcel located in the Los Angeles County Second Supervisory District, approximately 15 miles south of the Los Angeles Civic Center and two blocks west of the Harbor Freeway. The project will consist of the demolition of three, one-story buildings used for Hospital Human Resources, Hospital IT Services and Diabetes clinical care and research, along with an appurtenant open surface parking area, consisting of 30 parking spaces. The new construction will consist of one, 2-story medical office building of approximately 22,647 S.F. floor area, along with an appurtenant open surface parking area providing 38 parking spaces. Additional parking for the project is available in an existing underutilized 87 car open surface parking lot, owned by the Los Angeles Biomedical Research Institute, located immediately south of the site, across 220th Street. This offsite parking area is existing, to remain, with no construction proposed.

Permits and approvals required for this project include Los Angeles County Department of Regional Planning, the Department of Public Works (including the Building and Safety Division), the Fire Department and the Department of Health, as well as the National Institute of Health.

2. LOCATION:

The site is an approximate 115 foot by 287 foot rectangular shaped parcel, having approximately 287 feet frontage on the north side of 220th Street, approximately 109 feet west of Meyler Street in the Unincorporated Area of Los Angeles County. The address for the site will be assigned by the County when the Building Permit is processed.

THIS NOTICE WAS POSTED ON SEP 0.7 2010 ONTIL UCT 0.7 2010

3. PROPONENT:

The site is owned by the County of Los Angeles, a political subdivision of the State of California, a Municipal Corporation (fee owner) under the jurisdiction of the Los Angeles County Department of Health Services. The Los Angeles Biomedical Research Institute is the lessee of the project site and will develop the site as described herein.

4. FINDINGS OF NO SIGNIFICANT EFFECT:

Based on the Initial Study, it has been determined that the project will not have a significant effect on the environment.

10 0039352

5. LOCATION AND CUSTODIAN OF RECORD OF PROCEEDINGS:

The location and custodian of the record of proceedings upon which adoption of this Negative Declaration is based is as follows:

Harbor-UCLA Medical Center County of Los Angeles 1000 W. Carson Street, Box 500 Torrance, CA 90509

Telephone: 310-222-2298

Attn: Mary Werk

This Negative Declaration and Initial Study was prepared by the following:

DCA Civil Engineering Group 17625 Crenshaw Boulevard Ste 300 Torrance, CA 90504

Telephone: 310-327-0018

Attn: Charles S. Cummins RCE 34526

INITIAL STUDY

PROJECT REFERENCE:

Chronic Disease Clinical Research Center
Of Los Angeles Biomedical Research Institute
Unincorporated Area of Los Angeles County, State of California

GENERAL INFORMATION

Contact:

Harbor-UCLA Medical Center

County of Los Angeles

1000 W. Carson Street, Box 500

Torrance, CA 90509 Telephone 310-222-2298

Thomas Guide:

Page 764 A7

USGS Quad: Torrance

Location:

North side of 220th Street, approximately 109 feet west of Meyler Street in the Unincorporated Area of Los Angeles County. The address for the site will be assigned by the County when the

Building Permit is processed.

Description of Project:

The project consists of the construction of the Chronic Disease Clinical Research Center of the Los Angeles Biomedical Research Institute within the existing Harbor-UCLA Medical Center Campus. The Harbor-UCLA Medical Center is owned by the County of Los Angeles, under the jurisdiction of the Los Angeles County Department of Health Services. The overall campus address is 1000 West Carson Street in the Unincorporated area of Los Angeles County.

The project site is a flat (approximately 2 percent slope), 32,988 S.F./0.76 acre parcel located in the Los Angeles County Second Supervisory District, approximately 15 miles south of the Los Angeles Civic Center and two blocks west of the Harbor Freeway. The project will consist of the demolition of three, one-story buildings used for Hospital Human Resources, Hospital IT Services and Diabetes clinical care and research, along with an appurtenant open surface parking area, consisting of 30 parking spaces. The new construction will consist of one, 2-story medical office building of approximately 22,647 S.F. floor area, along with an appurtenant open surface parking area providing 38 parking spaces. Additional parking for the project is available in an existing underutilized 87 car open surface parking lot, owned by the Los Angeles Biomedical Research Institute, located immediately south of the site, across 220th Street. This offsite parking area is existing, to remain, with no construction proposed.

Vehicular access to the project site will be from the many existing driveways located on the four streets (Vermont and Normandie Avenues and Carson and 220th Streets) that form the border of the Harbor-UCLA Medical Center Campus.

Permits and approvals required for this project include Los Angeles County Department of Regional Planning, the Department of Public Works (including the Building and Safety Division), the Fire Department and the Department of Health, as well as the National Institute of Health.

The proposed use will consist of medical clinical trials and research as well as related consultation and training. The average daily employee occupancy for the project is estimated to be approximately 60 employees, plus research personnel, which will vary from day to day. Patient use of the building is difficult to estimate and will also vary from day to day, but on average, is expected to be similar to employee occupancy numbers. Business hours will be from 8:00 A.M. to 5:00 P.M. Monday through Friday, with researchers occasionally working after hours during the week and on weekends. Employee and patient occupancy numbers for the proposed project, as well as parking demand, is expected to be no more, or less, than that of the existing development on the project site.

Permits and approvals required for this project include Los Angeles County Department of Regional Planning, the Department of Public Works (including the Building and Safety Division), the Fire Department and the Department of Health, as well as the National Institute of Health.

Multiple hazardous substances (e.g. corrosives, oxidizers, flammables, toxics) will be used within the proposed building. As required by law, Material Safety Data Sheets (MSDS) will be maintained for record keeping and monitoring, and for control purposes for all hazardous substances used. All receipt, use, transfer, storage and disposal of such substances will be in accordance with Federal, State and local rules, regulations and laws, including that of the Los Angeles Fire Department and Health Department, subject to periodic inspection, and will be overseen by internal Safety Office staff, all in accordance with existing protocols in effect at the Harbor-UCLA Medical Center campus. It is because of these requirements, and the implementation of same for the proposed project, that it has been determined in this Initial Study that use of hazardous substances within the proposed building will have less than significant impact.

Gross Acres: 32,988 S.F./0.76 Acres

Environmental Setting:

Environmental Setting – Project Site

The Harbor-UCLA Medical Center campus consists of approximately 900,000 S.F. of developed floor area, consisting of over 40 multi-and single story buildings, spread out over 72 acres of land on the block between Vermont Avenue and Normandie Avenue on east and west, respectively, and between Carson Street and 220th Street on the north and south, respectively, in the Unincorporated Area of Los Angeles County. The entire campus is flat (approximately 2 percent slope).

The proposed project will be an in-fill development within the campus, replacing a similar in scale existing development, and will be located on the north side of 220th Street, approximately 109 feet west of Meyler Street. The project site is a 32,988S.F./0.76 acre rectangular shaped parcel, approximately 115 foot by 287 foot in size, having approximately 287 feet frontage on 220th Street.

The project site presently is developed with three, one-story buildings used for Hospital Human Resources, Hospital IT Services and Diabetes clinical care and research, along with an appurtenant open surface parking area, consisting of 30 parking spaces, all of which will be cleared to make way for the proposed project. Existing vegetation consists of common introduced grasses and trees species which will be cleared along with the existing buildings. There are no protected or specimen trees or vegetation onsite.

The project site, and surrounding area, is not located in a L.A. County designated Significant Ecological Area (SEA), Natural Resource Area (minerals, oil, gas), Fire Hazard Area, a Seismic (Alquist-Priolo) or Landslide Zone, Historical or Cultural Resource site or area or Agricultural Area, and, is not located on a L.A. County Adopted Scenic Highway. The project site, and surrounding area, is also not located in a FEMA designated Special Flood Hazard Zone, nor was the site, and area, ever a Landfill. The site and area is flat with no scenic vistas or views. Utility and public service infrastructure (water, gas, electric, telephone, sewer, storm drain) exist in 220th Street and/or within the Harbor-UCLA Medical Center Campus, with available capacity, and connections to these facilities can be made as needed. There will be no subterranean levels in the proposed project and earth disturbance and grading will therefore be minimal.

The Los Angeles County Department of Public Works designates the Harbor-UCLA Medical Center Campus, including the project site, for "Public Land Use", corresponding to hospital and medical related land uses, and, in the "C-3" (Unlimited Commercial Zone) which is compliant with the proposed use.

Environmental Setting -Surrounding Area

The area around the Harbor-UCLA Medical Center Campus (and therefore the project site) is a flat, previously developed urban area. Immediately west, east and north of the site is the existing medical center campus. South of the site, across 220th Street, is the open surface parking lot that will be used, if needed, to provide peak demand overflow parking for the proposed project. Also south of 220th Street, in the area of the site, are one and two story single family and multifamily residential developments. Vegetation and animal species in this area are introduced species consisting of those commonly found in the urban environment, with no known protected or endangered species.

Zoning: C-3 Unlimited Commercial

General Plan: P (Public and Semi-Public Facility)

Community/Area wide Plan: N/A

Major Projects in Area: Site is located within the Harbor-UCLA Medical Center Campus

PROJECT NUMBER

DESCRIPTION & STATUS

N/A

REVIEWING AGENCIES

1/62	Dougible Agencies	one	cial Reviewing Agencies	<u>rceg</u>	ionai Significance
\boxtimes	None	\boxtimes	None	\boxtimes	None
	Regional Water Quality Control Board		Santa Monica Mountains Conservancy		SCAG Criteria
	Los Angeles Region		National Parks		Air Quality
	Lahontan Region		National Forest		Water Resources
	Coastal Commission		Edwards Air Force Base		Santa Monica Mtns. Area
<u> </u>	Army Corps of Engineers		Resource Conservation District of Santa Monica Mtns.		to distribution of the second
			. 29		
	Trustee Agencies		City of Los Angeles	Con	unty Reviewing Agencies
\boxtimes	None		,		Subdivision Committee
	State Fish and Game				DPW:
	State Parks			\boxtimes	Health Services:
					4 th Supervisorial District

IMPACT ANA	LYSIS MATRIX	ANA	Less than Significant Impact/No Impact			
						Significant Impact with Project
				Miti	gatio	n
					Pote	entially Significant Impact
CATEGORY	FACTOR	Pg				Potential Concern
HAZARDS	1. Geotechnical	5				Enter info.
	2. Flood	6	M			
	3. Fire	7				
	4. Noise	8	M			
RESOURCES	1. Water Quality	9				
	2. Air Quality	10	M			
	3. Biota	11				
	4. Cultural Resources	12	\boxtimes			
	5. Mineral Resources	13	\boxtimes			
	6. Agriculture Resources	14	\boxtimes			
e ^r	7. Visual Qualities	15	X			
SERVICES	1. Traffic/Access	16				
	2. Sewage Disposal	17				
	3. Education	18	\boxtimes			
	4. Fire/Sheriff	19				
	5. Utilities	20				
OTHER	1. General	21	X			
	2. Environmental Safety	22	X			
	3. Land Use	23	X		T	
	4. Pop/Hous./Emp./Rec.	24				
	5. Mandatory Findings	25		\prod		
As required b	4. Pop/Hous./Emp./Rec. 5. Mandatory Findings ### MONITORING SYST	24 25 FEM (eneral F	DMS)	MS*	shall	be employed in the Initial Study phase
1. Developn	nent Policy Map Designation:		ea has			2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
2. Yes	No Is the project local	ated in	the A	nteloj	e Va	alley, East San Gabriel Valley, Malibu/Santa
3. Yes	Monica Mountain No Is the project at u an urban expansi	arban d	lensity	and l	ocate	ley planning area? ed within, or proposes a plan amendment to,
701 () 641			, op?) th	10 mm	iact	is subject to a County DMS analysis.
li both of th	e above questions are answe	reu y	es, u	ic hi	ŋeci	is subject to a country binds analysis.
	ck if DMS printout generated (e of Printout:					
☐ Chec	ck if DMS overview workshee s and/or staff reports shall util:	et com	pleted	(attac	hed)	

Enviro	nmental	Finding:
מאו איני	DETED	እ <i>የ</i> ተእ፤ ለ ጥ፤ ር

<u>FINAL DETERMINATION:</u> On the basis of this Initial Study, DCA Civil Engineering Group finds that this project qualifies for the following environmental document:

NEGATIVE DECLARATION, inasmuch as the proposed project will not have a M significant effect on the environment. An Initial Study was prepared on this project in compliance with State CEQA Guidelines and the environmental reporting procedures of the County of Los Angeles. It was determined that this project will not exceed the established threshold criteria for any environmental/service factor and, as a result, will not have a significant effect on the physical environment. MITIGATED NEGATIVE DECLARATION, in as much as the changes required for the project will reduce impacts to insignificant levels (see attached discussion and/or conditions). An Initial Study was prepared on this project in compliance with the State CEQA Guidelines and the environmental reporting procedures of the County of Los Angeles. It was originally determined that the proposed project may exceed established threshold criteria. The applicant has agreed to modification of the project so that it can now be determined that the project will not have a significant effect on the physical environment. The modification to mitigate this impact(s) is identified on the Project Changes/Conditions Form included as part of this Initial Study. ENVIRONMENTAL IMPACT REPORT*, inasmuch as there is substantial evidence that the project may have a significant impact due to factors listed above as "significant". At least one factor has been adequately analyzed in an earlier document pursuant to legal standards, and has been addressed by mitigation measures based on the earlier analysis as described on the attached sheets (see attached Form. DRP/IA101). The EIR is required to analyze only the factors not previously addressed. Date: Reviewed By: Approved By: Date:

This proposed project is exempt from Fish and Game CEQA Filing Fees. There is no substantial evidence that the proposed project have potential for an adverse effect on wildlife or the habitat upon which the wildlife depends. (Fish & Game Code 753.5).

Determination appealed – see attached sheet.

*NOTE: Findings for Environmental Impact Reports will be prepared as a separate document following the public hearing on the project.

HAZARDS - 1. Geotechnical

SE.	TIN Yes	GS/IIV No	IPACT Maybe				
a.		\boxtimes		Is the project located in an active or potentially active fault zone, Seismic Hazards Zone, or Alquist-Priolo Earthquake Fault Zone?			
b.		\boxtimes		Is the project site located in an area containing a major landslide(s)?			
c.		\boxtimes		Is the project site located in an area having high slope instability?			
d.				Is the project site subject to high subsidence, high groundwater level, liquefaction, or hydrocompaction? Not located in any such designated area. L.A County approval of Geotechnical			
e.				Reports will be required if determined appropriate by LA County Public Works Is the proposed project considered a sensitive use (school, hospital, public assembly site) located in close proximity to a significant geotechnical hazard? Site is not in close proximity to such hazardous areas			
f.				Will the project entail substantial grading and/or alteration of topography including slopes of over 25%?			
g,				Site is flat (2% slope) and project will not require subterranean garage or floor levels. Therefore, only minimal grading is required. County approval of Geotechnical Reports will be required if determined appropriate by LA County Public Works Would the project be located on expansive soil, as defined in Table 18-1B of Uniform Building Code 1994), creating substantial risks to life or property? No, also, see F			
h.		\boxtimes		Other factors?			
STANDARD CODE REQUIREMENTS Building Ordinance No. 2225 – Sections 308B, 309, 310, and 311 and Chapters 29 and 70 MITIGATION MEASURES / OTHER CONSIDERATIONS Lot Size Project Design Approval of Geotechnical Report by DPW							
CONCLUSION							
cum	Conclusion Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be impacted by, geotechnical factors? Potentially significant Less than significant with project mitigation Less than significant/No impact						

HAZARDS - 2. Flood

SE.			PACT	~		
	Yes	No	Maybe			
a.				Is the major drainage course, as identified on USGS quad sheets by a dashed line, located on the project site?		
b.		\boxtimes		ls the project site located within or does it contain a floodway, floodplain, or designated flood hazard zone? Not located in any such designated area.		
c.		\boxtimes		Is the project site located in or subject to high mudflow conditions? See b		
d.		\boxtimes		Could the project contribute or be subject to high erosion and debris deposition from run-off? Drainage subject to State/County NPDES/SUSMP requirements		
e.	. .	\boxtimes		Would the project substantially alter the existing drainage pattern of the site or area?		
f.		\boxtimes		Other factors?		
		ATIC	ON ME	o. 2225 – Sections 308A Ordinance No. 12, 114 (Floodways) CASURES / OTHER CONSIDERATIONS Project Design		
Con	CONCLUSION Considering the above information, could the project have a significant impact (individually or cumulatively) on, or be impacted by, flood (hydrological) factors?					
□Р	otential	ly sign	iificant	Less than significant with project mitigation \(\sum \) Less than significant/No Impact		

HAZARDS - 3. Fire

SEI	Yes	No	Maybe					
a.		\boxtimes		Is the project located in a Very High Fire Hazard Severity Zone (Fire Zone 4)?				
b.		\boxtimes		Is the project site in a high fire hazard area and served by inadequate access due to lengths, width, surface materials, turnarounds or grade?				
c.		\boxtimes		Does the project have more than 75 dwelling units on a single access in a high fire hazard area?				
d.				Is the project site located in an area having inadequate water and pressure to meet fire flow standards?				
e.				Is the project located in close proximity to potential dangerous fire hazard conditions/uses (such as refineries, flammables, explosives manufacturing)? Any hazardous materials will be enclosed within the proposed building. All receipt, use, transfer, storage and disposal of such materials will be per Federal, State and County requirements. See also "Other Factors: Environmental Safety"				
f.		\boxtimes		Does the proposed use constitute a potentially dangerous fire hazard? See e				
g.		\boxtimes		Other factors?				
	STANDARD CODE REQUIREMENTS							
C	ONCI onside imulat	ring tl	ne abov	re information, could the project have a significant impact (individually or be impacted by, fire hazard factors?				
] Potem	tially s	ignificar	tet Less than significant with project mitigation 🛮 Less than significant/No Impact				

HAZARDS - 4. Noise

SL.	Yes	No No	Maybe	
a.		\boxtimes		Is the project located near a high noise source (airports, railroads, freeways, industry)?
b.				Is the proposed use considered sensitive (school, hospital, senior citizen facility) or are there other sensitive uses in close proximity? Project is located within, and will become part of, the Harbor- UCLA Medical Center
c.				campus. No other sensitive sites nearby. Could the project substantially increase ambient noise levels including those associated with special equipment (such as amplified sound systems) or parking areas associated with the project? Project activities will be within the proposed medical building. Project parking will add
d.				only incrementally and insignificantly to existing conditions. Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels without the project? See C
e.		\boxtimes		Other factors?
	Noise C	Ordinar GATIO	ODE Roce No. 1	REQUIREMENTS 11, 778 Building Ordinance No. 2225—Chapter 35 CASURES / OTHER CONSIDERATIONS of Design Compatible Use
Cor		ng the	above	information, could the project have a significant impact (individually or adversely impacted by noise?
□ J	otentia	lly sigr	nificant	Less than significant with project mitigation 🗵 Less than significant/No Impact

RESOURCES - 1. Water Quality

SET	TING Yes		PACTS Maybe	
a.		\boxtimes		Is the project site located in an area having known water quality problems and proposing the use of individual water wells?
b.		\boxtimes		Will the proposed project require the use of a private sewage disposal system?
с.				If the answer is yes, is the project site located in an area having known septic tank limitations due to high groundwater or other geotechnical limitations or is the project proposing on-site systems located in close proximity to a drainage course?
d.		\boxtimes		Could the project's post-development activities potentially degrade the quality of storm water runoff and/or could post-development non-storm water discharges contribute potential pollutants to the storm water conveyance system and/or receiving bodies? Project is subject to State/County SUSMP requirements
e.		\boxtimes		Other factors?
_	Indust Plumb MIT	rial Wa ing Co (GAT	aste Per ode – O ION N	REQUIREMENTS Imit
	CONC		.11.	ove information, could the project have a significant impact (individually or or be adversely impacted by water quality problems?
[signific	- NI Less than significant/No Impact

RESOURCES - 2. Air Quality

SE			MPACT	
	Yes	No	Mayb	9
a.				Will the proposed project exceed the State's criteria for regional significance (generally (a) 500 dwelling units for residential users or (b) 40 gross acres, 650,000 square feet of floor area or 1,000 employees for non-residential uses)?
b.				Is the proposal considered a sensitive use (schools, hospitals, parks) and located near a freeway or heavy industrial use? Project activities will occur within an enclosed building.
c.				Will the project increase local emissions to a significant extent due to increased traffic congestion or use of a parking structure or exceed AQMD thresholds of potential significance per Screening Tables of the CEQA Air Quality Handbook? Project parking will add only incrementally and insignificantly to existing conditions.
đ.				Will the project generate or is the site in close proximity to sources that create obnoxious odors, dust, and/or hazardous emissions? Any hazardous materials will be enclosed within the proposed building and all receipt, use, transfer, storage and disposal of such materials will be per Federal, State and County requirements.
e.		\boxtimes		Would the project conflict with or obstruct implementation of the applicable air quality plan?
f.				Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation?
g.				Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under applicable federal or state ambient air quality standard (including releasing emission which exceed quantitative thresholds for ozone precursors)?
e.		\boxtimes		Other factors?
STA	ANDA lealth a	RD C	ODE I	REQUIREMENTS de — Section 40506
∏ I	MITIC Project	GATI(Design	ON MI	EASURES / OTHER CONSIDERATIONS Air Quality Report
				-
		·		
Con	NCLU siderir ulativo	ng the	above:	information, could the project have a significant impact (individually or adversely impacted by air quality?
_ P	otential	ly sign	ificant	Less than significant with project mitigation Less than significant/No Impact

RESOURCES - 3. Biota

Si	Yes	GS/IN No	IPAC: Mayb	
a.		\boxtimes		Is the project site located within Significant Ecological Area (SEA), SEA Buffer, or coastal Sensitive Environmental Resource (ESHA, etc.), or is the site relatively undisturbed and natural?
b.		\boxtimes		Will grading, fire clearance, or flood related improvements remove substantial natural habitat areas?
c.		\boxtimes		Is a major drainage course, as identified on USGS quad sheets by a blue dashed line, located on the project site?
d.				Does the project site contain a major riparian or other sensitive habitat (e.g. coastal sage scrub, oak woodland, sycamore riparian, woodland, wetland, etc.)?
e.		\boxtimes		Does the project site contain oak or other unique native trees (federal or state listed endangered, etc.)?
f.				No protected/endangered of specimen trees onsite, only common introduced landscaping species. Is the project site habitat for any known specific species (federal or state listed endangered, etc.)? No such known species
g.				Other factors (e.g., wildlife corridor, adjacent open space linkage)?
	MITIG Lot Si:	SATIC ze []	N ME Projec	CASURES / OTHER CONSIDERATIONS that Design ERB/SEATAC Review Oak Tree Review
on	NCLUS sidering ulative	g the a	bove in	nformation, could the project have a significant impact (individually or resources?
	otentiall			Less than significant with project mitigation \(\subseteq \text{Less than significant/No Impact} \)

RESOURCES - 4. Archaeological/Historical Paleontological

SETTINGS/IM Yes No	PACTS Maybe
a. 🗌 🛚	Is the project site in or near an area containing known archaeological resources or containing features (drainage course, spring, knoll, rock outcroppings, or oak trees) that indicate potential archaeological sensitivity? No such known site, resource or feature
b. 🗌 🛚	Does the project site contain rock formations indicating potential paleontological resources? See a
c. 🗌 🛭	Does the project site contain known historic structures or sites?
d. 🗌 🔯	Would the project cause a substantial adverse change in the significance of a historical or archaeological resource as defined in 15064.5?
e. 🗌 🛚	Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? See a
f. 🗌 🛛	Other factors?
Lot Size	ON MEASURES / OTHER CONSIDERATIONS roject Design Phase I Archaeology Report to an urban area. No such known resources in the area.
CONCLUSION Considering the cumulatively) or	above information, could the project have a significant impact (individually or a rchaeological, historical or paleontological resources?
Potentially sign	ificant Less than significant with project mitigation Less than significant/No Impact

RESOURCES - 5. Mineral Resources

	Yes	No	Maybe		
a.		\boxtimes		Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	
b.		\boxtimes		Would the project result in the loss of availability of a locally important mineral resource discovery site delineated on a local general plan, specific plan or other land use plan?	
c.		\boxtimes		Other factor?	
			ON MF Project I	CASURES / OTHER CONSIDERATIONS Design	-
			<u></u>		
					-
	,				
Con		ng the	above	information, could the project have a significant impact (individually or eral resources?	
□ F	otentia	lly sig	nificant	☐ Less than significant with project mitigation ☐ Less than significant/No Impact	

RESOURCES - 6. Agriculture Resources

SE'	TTING Yes	GS/IM No	IPACI Mayb	
a.				Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency of non-agricultural use?
b.		\boxtimes		Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract?
c.		\boxtimes		Would the project involve other changes in the existing environment that due to their location or nature, could result in conversion of Farmland, to non-agricultural use?
d.		. 🖾		Other factors?
	/IITIC	GATIC	ON MI	EASURES / OTHER CONSIDERATIONS Design
		•		
Cons	NCLU siderin ulative	g the	above	information, could the project have a significant impact (individually or cultural resources?
] Po	otential	ly sign	ificant	Less than significant with project mitigation \(\bigsize \text{Less than significant/No Impact} \)

RESOURCES - 7. Visual Qualities

SE'	SETTINGS/IMPACTS						
	Yes	No	Maybe				
а.				Is the project site substantially visible from or will it obstruct views along a scenic highway (as shown on Scenic Highway Element), or is it located within a scenic corridor or will it otherwise impact the viewshed? No such scenic views, vistas or corridor			
b.		\boxtimes		Is the project substantially visible from or will it obstruct views from a regional riding or hiking trail?			
c.		\boxtimes		Is the project site located in an undeveloped or undisturbed area that contains unique aesthetic features?			
d.		\boxtimes		Is the proposed use out-of-character in comparison to adjacent uses because of height, bulk, or other features? In-fill development. Project is located within, and will become part of, the Harbor-UCLA Medical Center campus:			
e.		\boxtimes		Is the project likely to create substantial sun shadow, light or glare problems? See d			
f.		\boxtimes		Other factors? (e.g. grading or landform alterations)?			
	☐ MITIGATION MEASURES / ☐ OTHER CONSIDERATIONS ☐ Lot Size ☐ Project Design ☐ Visual Report ☐ Compatible Use						
	,						
Co		ng th	e above	information, could the project have a significant impact (individually or nic qualities?			
	☐ Potentially significant ☐ Less than significant with project mitigation ☒ Less than significant/No Impact						

SERVICES - 1. Traffic/Access

SE.	Yes	No No	Maybe	
a.		\boxtimes		Does the project contain 25 dwelling units, or more and is it located in an area with known congestion problems (roadway or intersections)?
b.		\boxtimes		Will the project result in any hazardous traffic conditions?
c.		\boxtimes		Will the project result in parking problems with a subsequent impact on traffic conditions? Project parking will add only incrementally and insignificantly to existing conditions.
d.				Will inadequate access during an emergency (other than fire hazards) result in problems for emergency vehicles or residents/employees in the area? Project located within the Harbor- UCLA Medical Center campus with access from
e.		₩ *		fully improved public roadways that border all four sides of the campus. Will the congestion management program (CMP) Transportation Impact Analysis thresholds of 50 peak hour vehicles added by project traffic to a CMP highway system intersection or 150 peak hour trips added by project traffic to a mainline freeway link be exceeded?
f.		\boxtimes		Would the project conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus, turnouts, bicycle racks)?
g.		\boxtimes		Other factors?
				EASURES / OTHER CONSIDERATIONS raffic Report Consultation with Traffic & Lighting Division
		· · · · ·		
Con	sideri	USIOI ng the rely) o	above	information, could the project leave a significant impact (individually or ic/access factors?
Potentially significant			nificant	☐ Less than significant with project mitigation ☐ Less than significant/No Impact

SERVICES - 2. Sewage Disposal

SET	SETTINGS/IMPACTS Yes No Maybe						
a.		\boxtimes		If served by a community sewage system, could the project create capacity problems at the treatment plant?			
b.		\boxtimes		Could the project create capacity problems in the sewer lines serving the project site?			
c.		\boxtimes		Other factors?			
⊠ S ⊠ F	STANDARD CODE REQUIREMENTS Sanitary Sewers and Industrial Water − Ordinance No. 6130 Plumbing Code − Ordinance No. 2269 MITIGATION MEASURES / □ OTHER CONSIDERATIONS						
		!					
Con		ig the	above	information, could the project have a significant impact (individually or aysical environment due to sewage disposal facilities?			
P	otential	ly sign	nificant	Less than significant with project mitigation \(\subseteq \text{Less than significant/No Impact} \)			

SERVICES - 3. Education

SET	SETTINGS/IMPACTS					
	Yes	No	Maybe			
a.		\boxtimes		Could the project create capacity problems at the district level?		
ъ.		\boxtimes		Could the project create capacity problems at individual schools that will serve the project site?		
c.		\boxtimes		Could the project create student transportation problems?		
d.		\boxtimes		Could the project create substantial library impacts due to increased population and demand?		
e.				Other factors?		
	☐ MITIGATION MEASURES / ☐ OTHER CONSIDERATIONS ☐ Site Dedication ☐ Government Code Section 65995 ☐ Library Facilities Mitigation Fee					
Con		ng the	above i	nformation, could the project have a significant impact (individually or o educational facilities/services?		
	otentia			Less than significant with project mitigation \(\sum \) Less than significant/No Impact		
1 ليسيا	- contra	יופוט ניי		The proof them significant with biology mulgarion. MI ress man significantiato mibrar		

SERVICES - 4. Fire/Sheriff Services

SE			(PAC)	
	Yes	No	Mayb	e
a.				Could the project create staffing or response time problems at the fire station or sheriff's substation serving the project site? Scale and scope of project only adds minimally and insignificantly to exiting conditions. Project Nearest Fire Station is approximately 2 miles from the site at the southwest corner of Carson Street and Crenshaw Boulevard. Nearest Sheriff's Station is
b.				approximately 4.5 miles from the site at 26123 Narbonne Avenue. Are there any specific fire or law enforcement problems associated with the project or the general area?
c.				Other factors?
□ N □ F	AITIC	GATI(ON MI 1 Fee	EASURES / [] OTHER CONSIDERATIONS
Cons	CLUS idering lative	g the a	above is	nformation, could the project have a significant impact (individually or of fire/sheriff services?
Po	tentiall	y signit	ficant	☐ Less than significant with project mitigation ☐ Less than significant/No Impact

SERVICES - 5. Utilities/Other Services

SE	TINC Yes	GS/IM No	PACT: Maybe	
а.		\boxtimes		Is the project site in an area known to have an inadequate public water supply to meet domestic water needs or to have inadequate ground water supply and proposes water wells?
b.				Is the project site in an area known to have an inadequate water supply and/or pressure to meet fire fighting needs?
c.		\boxtimes		Could the project create problems with providing utility services, such as electricity, gas, or propane?
d.		\boxtimes		Are there any other known service problem areas (e.g., solid waste)?
e.	- 22			Would the project result in substantial adverse physical impacts associated with the provision of new physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services or facilities (e.g., fire protection, police protection, schools, parks, roads)?
f.		\boxtimes		Other factors?
				REQUIREMENTS dinance No. 2269 Water Code – Ordinance No. 7834
	MITI(Lot Siz		ON MI Project	EASURES / OTHER CONSIDERATIONS Design
	 -	4		
Co		ing th	e above	information, could the project have a significant impact (individually or to utilities services?
	Potenti	ally sig	gnificant	☐ Less than significant with project mitigation ☒ Less than significant/No Impact

OTHER FACTORS - 1. General SETTINGS/IMPACTS Yes No Maybe \Box \boxtimes Will the project result in an inefficient use of energy resources? a. b. \boxtimes Will the project result in a major change in the patterns, scale, or character of the general area or community? \boxtimes Will the project result in a significant reduction in the amount of agricultural land? \boxtimes Other factors? STANDARD CODE REQUIREMENTS State Administrative Code, Title 24, Part 5 T-20 (Energy Conservation) ☐ MITIGATION MEASURES / ☐ OTHER CONSIDERATIONS Lot Size Project Design Compatible Use CONCLUSION Considering the above information, could the project have a significant impact (individually or cumulatively) on the physical environment due to any of the above factors? ☐ Potentially significant ☐ Less than significant with project mitigation ☐ Less than significant/No Impact

OTHER FACTORS - 2. Environmental Safety

SE I	Yes	No No	WACI Maybe	
a.				Are any hazardous materials, used, transported, produced, handled, or stored on-site? Any hazardous materials will be enclosed within proposed building. All receipt, use, transfer, storage and disposal of such materials will be per Federal, State and County requirements. See also 4 th paragraph on page 5, in "Project Description" Section under "Concept Information"
b.				"General Information" Are any pressurized tanks to be used or any hazardous wastes stored onsite? See a and the 4 th paragraph on Page 5 in "Project Description" Section under "General Information"
c.		\boxtimes		Information" Are there any residential units, schools, or hospital located within 500 feet and potentially adversely affected? Project is located within, and will become part of, the Harbor- UCLA Medical Center
d.				Have there been previous uses that indicate residual soil toxicity of the site or is the site located within two miles downstream of a known groundwater contamination source within the same watershed?
e.		\boxtimes		Would the project create a significant hazard to the public or the environment involving the accidental release of hazardous materials into the environment? See a and the 4 th paragraph on Page 5 in "Project Description" Section under "General Information"
f.				Would the project emit hazardous emission or handle hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?
g.		\boxtimes		Would the project be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or environment?
h.		\boxtimes		Would the project result in a safety hazard for people in a project area located within an airport land use plan, within two miles of a public or public use airport, or within the vicinity of a private airstrip?
i.		\boxtimes		Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?
j.		\boxtimes		Other factors?
	MITI	GATI	ON M	EASURES / OTHER CONSIDERATIONS Toxic Clean-up Plan
				information, could the project have a significant impact relative to public
Potentially significant Less than significant with project mitigation Less than significant/No Impac				

OTHER FACTORS - 3. Land Use

SE			PACT	
	Yes	No	Maybe	
a.		\boxtimes		Can the project be found to be inconsistent with the plan designation(s) of the subject property?
b.		\boxtimes		Can the project be found to be inconsistent with the zoning designation of the subject property?
c.		\boxtimes		Can the project be found to be inconsistent with the following applicable land use criteria: Hillside Management Criteria?
		\boxtimes		SEA Conformance Criteria?
				Other?
d.		\boxtimes		Would the project physically divide an established community?
e.		\boxtimes		Other factors?
	MITIO	GATI	ON MI	CASURES / OTHER CONSIDERATIONS
		-	· · · · · · · · · · · · · · · · · · ·	
Co	NCL nsideri nulativ	ng th	e above	information, could the project have a significant impact (individually or hysical environment due to land use factors?
	Potenti	ally sig	gnificant	Less than significant with project mitigation \(\subseteq \text{Less than significant/No Impact} \)

OTHER FACTORS - 4. Population/Housing/Employment/Recreation

S.U.	Yes No Maybe						
a.				Could the project cumulatively exceed official regional or local population projections?			
b.		\boxtimes		Could the project induce substantial direct or indirect growth in an area (e.g., through projects in an undeveloped area or extension of major infrastructure)?			
c.		\boxtimes		Could the project displace existing housing, especially affordable housing?			
d.		\boxtimes		Could the project result in substantial job/housing imbalance or substantial increase in Vehicle Miles Traveled (VMT)?			
e.		\boxtimes		Could the project require new or expanded recreational facilities for future residents?			
f.		\boxtimes		Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?			
g.		\boxtimes		Other factors?			
	☐ MITIGATION MEASURES / ☐ OTHER CONSIDERATIONS						
				·			
CO	NCLU	JSIOI	N				
cum	siderii ulativ eatio	ely) o	n the pl	information, could the project have a significant impact (individually or nysical environment due to population, housing, employment or			
☐ P	otentia	lly sigi	nificant	☐ Less than significant with project mitigation ☒ Less than significant/No Impact			

MANDATORY FINDINGS OF SIGNIFICANCE

Bas	Based on this Initial Study, the following findings are made:					
	Yes	No	Maybe			
a.				Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?		
b.		\boxtimes		Does the project have possible environmental effects that are individually limited but cumulatively considerable? "Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of		
***				other current projects, and the effects of probable future projects.		
c.				Will the environmental effects of the project cause substantial adverse effects on human beings, either directly or indirectly?		
	CONC Consid	ering	the abo	we information, could the project have a significant impact (individually or environment?		
			signific	I less than significant/No Impact		